

**ACHIEVING SUSTAINABILITY IN AN ADULT BASIC
EDUCATION (ABE) NON-GOVERNMENTAL
ORGANISATION (NGO): A CASE STUDY OF PROJECT
LITERACY**

Name: Dorothy Andrews

Student Number: 9205402 k

**A Research Report Submitted to the Faculty of Education,
University of the Witwatersrand, Johannesburg, in fulfillment of
the requirements of the degree of Masters in Adult Education by
Course Work and Research Report.**

14 October 1998

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ABSTRACT

This research report explores how Project Literacy, a non-governmental organisation (NGO), involved in adult basic education, was able to achieve sustainability by engaging in a comprehensive and ongoing restructuring process. It was mainly the new political dispensation as well as changes in funding policies for NGOs that necessitated the restructuring process.

The principal aims of the study were to document how this organisation managed its change process and what other measures it took to enhance the sustainability of its organisation.

The research has been conducted in the qualitative research approach. The case study was selected as a major technique. A questionnaire and interviews with key staff were the main data gathering methods. Triangulation was achieved by the use of various organisational documents such as independent evaluations among others.

Research findings suggested that without the restructuring process Project Literacy would not have been sustainable. The findings illustrated that the ability to change and adapt continuously was imperative. It also showed that any NGO needs a clear vision, a good product, sound management practices and motivated and efficient staff.

DECLARATION

I declare that this research report is my own unaided work. It is being submitted in partial fulfillment of the requirements for the degree of Master in Adult Education in the University of the Witwatersand, Johannesburg. It has not been submitted before for any other degree or examination in any other university.



Dorothy Andrews

On this 14th day of, October 1998

DEDICATION

I dedicate this research report to my mother, Adelaide, from whom I draw strength and resilience. To my favourite person, Mcebisi, I sincerely thank you for being there for me constantly throughout the writing of this project. I will remember always the love, support and encouragement that you have given me.

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LIST OF ABBREVIATIONS

ABE	Adult Basic Education
ABET	Adult Basic Education and Training
ACE	Adult and Continuing Education
AECs	Adult Education Centres
ANC	African National Congress
CEO	Chief Executive Officer
DET	Department of Education and Training
ELP	English Literacy Project
EU	European Union
IEB	Independent Examinations Board
JET	Joint Education Trust
NLC	National Literacy Corporation
NGOs	Non-Governmental Organisations
NQF	National Qualifications Framework
PVOs	Private Voluntary Organisations
RDP	Reconstruction and Development Programme
SACC	South African Council of Churches

CHAPTER ONE: INTRODUCTION

1.1 Statement of the Problem

The new milieu, ushered in by the new political dispensation in 1994, implied a changed role and position for the entire NGO sector. Particularly the ANC-led government's Reconstruction and Development Programme (RDP) brought about this changed role. By introducing a bilateral aid funding policy, the RDP altered the way in which NGOs functioned. This policy dictated that NGOs would no longer receive direct foreign funding, but that the government would receive the money and then channel the funds to the NGOs.

This policy has had major implications for NGOs because it meant that such organisations had to change their *modus operandi* if they were to sustain their activities. The policy implied that NGOs could no longer take it for granted that they would receive funds, instead they had to work much harder to prove that they were deserving of funds. Bilateral funding also implied that NGOs had to make significant attitude adjustments as well as structural changes if their activities and projects would be sustainable.

Regrettably many NGOs were unable to rise to the challenges posed by the new funding policy. One major consequence of the implementation of a bilateral aid funding policy was the closure of several well-known major literacy and adult basic education organisations like Learn and Teach, Training in English Language and Literacy (TELL). Adult Literacy Project in Cape Town, Use, Speak and Write English (USWE), Erwatwa Community Learning Centre in Springs and the Albany Adult Education Centre in Grahamstown etc.). It is unfortunate that these organisations have failed to sustain themselves during this crucial time in South Africa.

One NGO that seems to be the exception rather than the rule is Project Literacy. When the researcher began this study the National Literacy Corporation (NLC), based in

Braamfontein, recommended Project Literacy as a possible case study and as a good example of a 'sustainable' organisation. The NLC is a collective body formed during the 1980's by progressive literacy organisations. The NLC aims *inter alia* towards co-operation among literacy organisations. The concept of sustainability will be discussed in the next chapter.

Project Literacy is a Pretoria-based, non-profit organisation governed by a Board of Trustees. It was started in 1973 as a voluntary community-based organisation known as the Tshwane Ikageng Literacy Association. Tshwane is the Sotho name for Pretoria. Tshwane Ikageng roughly means 'Pretoria uplift/educate yourselves'. Project Literacy's activities grew as a result of the huge demand by poorly educated and illiterate adults as well as the quality of their programmes. Today, Project Literacy is a well-established organisation with vast expertise in the provision of ABE and reaches adult learners nation-wide.

Project Literacy has four main areas of work: Administration and Management of Adult Education Centres, which operate at night and offer a broad range of subjects from basic literacy to matric level; Training of facilitators in African Language Literacy, English Communications, Afrikaans and Mathematics; Development of a learner centred modular curriculum and accompanying materials suited to the needs of a life-long learning programme; Facilitating the implementation of Adult Basic Education and Training (ABET) programmes in disadvantaged communities and in industry by using tested and proven methodologies and materials. Ed French, noted South African ABE expert and Director of the Independent Examinations Board (IEB), said of Project Literacy,

the linkage of a direct delivery service of unique effectiveness with curricular and materials innovation, teacher training and extension work, gives Project Literacy a well founded comprehensiveness which makes it unrivalled among literacy organisations (Project Literacy Business Plan, 1996).

Unlike other NGOs, Project Literacy has been able to sustain its activities during the difficult period of transformation that NGOs have experienced. The organisation has

not only survived, but it seems to have come out of the challenging era as a much stronger, focussed, or in the words of Andrew Miller, the CEO, a 'leaner and meaner' organisation. The reason for the organisation's continued existence lies in the *intensive* restructuring programme that the organisation pursued. When it became clear that the funding framework for NGOs would change drastically, Project Literacy embarked on a process of restructuring which has set them apart from many other NGOs. A Restructuring Committee that consisted of members of the organisation's management team and the Board of Trustees headed the restructuring process.

The Restructuring Committee aimed at transforming Project Literacy into a sustainable organisation with a viable future. Another aim of the restructuring process was to change the emphasis from being a 'charitable' organisation to running the organisation on business principles. This meant that the role of the staff changed. This implied that the success of the organisation was no longer the sole responsibility of the CEO or the management team. Instead, everyone in the organisation had a shared responsibility. Thus, one could say one aspect of the restructuring process involved a change in mindset. Building the capacity of the organisation to generate its own funds so as to become more independent of its foreign donors became a serious consideration. Therefore, the issue of achieving financial sustainability implied restructuring the focus of the organisation. For instance, Project Literacy identified its Training Department as one area through which the organisation could generate an income. Thus their activities were restructured in such a way that this could be achieved.

1.2 Research Questions

The main research questions are as follows:

- What context are NGOs currently operating in?
- What is meant by sustainability and what are the criteria for achieving sustainability?
- Do management styles (through restructuring processes for instance) impact on the sustainability of ABE NGOs?
- What is the relationship between management styles, organisational development and sustainability?

1.3 Importance of the Study

Project Literacy, the case study is a positive example or role model that can be emulated by other NGOs. This study is crucial for all NGOs that are currently grappling with the challenges presented by the context in which the sector operates. A study such as this is necessary to illuminate ways in which NGOs can cope with the challenges with which they are faced. This study is important for all those who are involved in NGOs in general and for NGO leaders in particular as it hopes to offer insight into how changes in the sector can be managed. The study is also important, as it is a detailed account and analysis of a restructuring process that has worked for this particular organisation. The researcher is confident that lessons learnt by Project Literacy can be applied by other organisations too.

1.4 Aims of the Research Report

This research report has four main aims. Firstly, it aims to highlight the milieu and context in which NGOs in general and ABE NGOs in particular are currently operating. Secondly, the report aims to discuss achieving sustainability as this has now become or should be a new driving force for NGOs. The third aim of the research report is to discuss and analyse the restructuring process at Project Literacy and to demonstrate the importance of change management. The fourth aim is to determine

how management styles impact on the sustainability of NGOs involved in ABE. Based on the experience of Project Literacy, the report also aims, fifthly, to provide recommendations to the leaders of NGOs on how to work towards achieving sustainability in their respective organisations.

1.5 Scope of the Study

This study focuses mainly on the activities of Project Literacy from 1993 until 1998, that means that study deals with the changes that affected the NGO sector after the implementation of the RDP. The study also focuses on how NGOs in general and Project Literacy in particular were affected by these changes. The report also deals with how Project Literacy has dealt with the challenges presented by the new dispensation particularly through their Restructuring Committee. The study includes interviews conducted with the staff and management of Project Literacy, as well as with some members of the Board of Trustees. Project Literacy has five cost centres that can be viewed as separate. These are the three Adult Education Centres, Teacher Training, Adult Basic Education Extension, Curriculum Development and the Head Office. This study will focus mainly on the activities of the Head Office.

1.6 Limitations of the Study

The researcher does not work in the NGO sector and therefore most of the information contained in the study was derived from interviews with key role players in the organisation, as well as an extensive review of relevant literature including key organisational documentation. The lack of experience and thorough knowledge of the NGO field is both an asset and a limitation. It is an asset in that the views that are offered can be seen as 'fresh' and 'untainted' due to the researcher's inexperience. The views offered will be those of an 'objective' individual who is standing on the outside of the sector looking in. The lack of experience could be viewed as a limitation in that certain observations may seem simplistic. It might also seem as if the researcher has overlooked obvious and important ideas. However, May Kut (1994, 124) points out

that, "insiders, outsiders and researchers each bring a perspective to that which is being studied. What distinguishes the qualitative researcher ... is disciplined analysis".

A further limitation of the study pertains to the sources of information. The participants are credible sources because they were entirely involved in the processes under discussion. However, one has to acknowledge that although the accounts that they have provided are based on their own experiences, they are retrospective. It is safe to say that time and a desire to put the best foot forward may have tainted their memories. However, the researcher recognises this fact and has therefore sought alternative sources of information (reports, evaluations, minutes of meetings etc.) to give credence to verbal interviews. A further limitation may be the limited number of respondents/participants. However, the decision to study only one case was a considered one. A genuine attempt was made to speak to key personnel involved in the process of restructuring.

Due to the nature of the inquiry the researcher has had to show some sensitivity to the issues as well as to the feelings of individuals involved in the study. Some may argue that such sensitivity may have hindered the investigation. However, an awareness of that sensitivity has forced the researcher to make a serious attempt not to allow the researcher's own sensitivity to impact negatively on the study.

The researcher feels that this is a vitally important study and that there were many issues that could have been dealt with more thoroughly, however the allotted time and the relatively small scale of this project prevented a wider, more in-depth study.

1.7 Assumptions

The main assumption that underlies this study is that the political changes in South Africa in 1994 have had serious implications for all NGOs in the country. The new bilateral aid policy has created a divide between those NGOs that will survive and those that will not.

Another assumption is that Project Literacy has been successful in weathering the tide and that their success lies in their restructuring process. It is the considered view of the researcher that Project Literacy would have been unable to continue their work and be sustainable had they not engaged in this process of restructuring. The main reason for this is that at the time the decision was made to restructure the organisation; non-governmental organisations in South Africa were at a crossroads. The threat of the hiatus in funding was a very real one and in the case of Project Literacy, differences over management styles and the general need to transform non-governmental organisations into well-structured and efficiently managed entities meant that they had to do some serious planning and restructuring. They had to restructure the way the organisation looked and worked.

The researcher also assumes that one of the main reasons that NGOs have been unable to rise to the challenges presented by the new environment lies in poor management. The final assumption is that lessons learnt and implemented by Project Literacy can be generalised to other NGOs.

1.8 Organisation of the Study

Chapter one is the introduction and is followed by chapter two that is a review of the literature. The literature review provides an in-depth discussion of the context in which NGOs are currently operating. The literature review also raises some of the important issues (such as management styles and practices, change management, sustainability etc.) that will be pursued further in the study.

Chapter three that discusses the research design succeeds the literature review. This chapter explores the rationale for a qualitative study as well as for the use of qualitative methods. The research design also elaborates on the range of respondents and the motivation for their selection. Firstly, the researcher will discuss her own educational philosophy so as to show that philosophy informs practice. Secondly, the researcher will discuss the research approach, which is qualitative research, on which the research report is based. Thirdly, the chapter will focus on the research framework, that is the

case study. Fourthly, the chapter will explore the research methods that are congruent with qualitative research and focus in particular on interview methods. Fifthly, the chapter will discuss two research instruments that will be used to collect data. The two research instruments are the questionnaire and the interview schedule. The researcher's own practice will be grounded in theory.

Chapter four presents the findings of the research and explores in depth the process of restructuring as it occurred at Project Literacy. Chapter five is a discussion of the findings. The final chapter concludes the report and makes a range of recommendations that may be of use to NGO staff and leaders.

CHAPTER TWO: REVIEW OF LITERATURE

2.1 Aims of the Chapter

The first aim of this literature review is to illuminate the context in which local NGOs operate as well as to introduce the main concepts that will be explored in the study. The second aim of the chapter is to provide some insights on what the major issues are that will be discussed in the research report. The third aim of the chapter is to assist the researcher in devising a theoretical or analytical framework that will be the basis for the analysis and interpretation of data (Bell, 1993:18). A thorough literature review of methodology follows in the next chapter.

2.2 The Context of this Study - The Context in which NGOs are Currently Operating

The literature consulted suggests that many progressive NGOs experience similar problems: lack of direction; high staff turnover; lack of funds and corruption. The sector has also been beset by financial problems due to the fact that donors have become more tight-fisted with funds and are demanding to see concrete results. Hundreds of smaller NGOs have closed since 1990. This has led to insecurity within NGOs, with many staff leaving NGOs for more secure positions in business, political organisations and state departments. This insecurity has also unleashed a wave of corruption within NGOs. A perusal of recent articles (Dango, 1994 & Harding, 1994) has shown that thousands of rands in NGOs have disappeared. NGOs attempting to solve these problems have generally improved their operations considerably, through better management practices such as strategic planning and clearer employment procedures. It is the researcher's initial impression that Project Literacy falls into this category.

It is evident from the literature that the transition to democracy in South Africa has left NGOs in a complex and challenging milieu in which to operate. NGOs have historically worked to address the issues of poverty and empowerment. Organisations that took on predominantly state functions, at a time when the apartheid state failed to carry out its

responsibility, have to revisit the question of their role and contribution in the “new South Africa” (Dango, 1994: 12).

The *Reconstruction and Development Programme* (RDP) became the blueprint for the Government of National Unity’s (GNU) development programme since assuming power in 1994. NGOs are currently grappling with the implications of the RDP, which threaten to put many organisations out of business. Harding (1994: 14) asserts that the RDP, ‘which is committed to a “demand -driven” model of delivery, has thrown NGOs into competition with government departments, business and private consultants for development contracts’. He further contends that the RDP will direct substantial financial resources - most likely in the form of a “development voucher” or credit note, rather than cash in hand - to previously disadvantaged communities to enable them to contract developmental services. These communities will be able to buy the services of governmental, private sector and non-governmental agencies to assist them to define, plan, implement, evaluate and control development programmes (Harding, 1994: 14). This article by Harding entitled ‘From Comrade to Competitor: The Funding Battle - NGOs and the RDP’ offers some useful insights. However, this article does not suggest ways in which managers can deal with this situation to ensure that NGOs can sustain their activities. This research report will address this silence by investigating the role that management styles, particularly through restructuring programmes, can play in ensuring the sustainability of NGOs involved in the field of ABE especially in their new milieu.

2.3 Funding and Financial Sustainability

The above discussion also suggests that donors have changed their funding strategies. Donors are asking crucial questions:

- ☐ Is the NGO likely to be there in a year’s time?
- ☐ Is it a sector we should still be funding?
- ☐ Do we want them to survive?

Foreign aid will increasingly be transformed into bilateral aid (Financial Mail, 2.9.1994). This means that foreign donors will channel funds directly to the South African government. NGOs will then have to apply to the government to have access to these funds. Previously NGOs were funded directly by the foreign donors. Many NGOs failed to anticipate the changes and the implications of bilateral aid agreements and were therefore forced to close.

An article in the Financial Mail (2.9.1994) suggests that within the European Union, now the biggest foreign donor in 1994, fund-splitting between governments and NGOs has become a general rule in development aid. In his work entitled, 'Becoming Self-Sufficient: The Experience of US NGOs in Achieving Sustainability', Gibson argues that in the US (as in South Africa) there is mounting pressure among private voluntary organisations (PVO's) (or NGOs) to respond to the changing dynamics in the flow of capital and resources for human service programs. With shifting priorities among major traditional donors, many PVO's are responding with innovative restructuring of their financing and operating procedures. Alternative and diversified income generating strategies as well as streamlined or collaborative organisational structures are key elements of survival within any environment of economic uncertainty (Gibson, 1995: 2).

Much of the literature consulted (Dango, 1994; Harding, 1994; Gibson, 1995; The Financial Mail) suggests that the lack of financial security is an important cause of NGO closure. This research report will examine the measures taken by Project Literacy to ensure their own financial sustainability, which in turn contributes to the overall sustainability of the NGO.

Gibson (1995) asserts that two fundamental strategies of interest to NGOs relate to the 'reduction of the costs of doing business or providing a service, and the recovery of these costs from either the customer or another source of income' (Gibson, 1995:2). Gibson examines various components of these strategies and several examples of organisations that have experimented with their implementation. The lessons learnt and presented by him should prove to be useful for other organisations exploring alternative survival strategies (Gibson, 1995:2). NGOs are advised to look at fundraising as a long-

term investment. Project Literacy has focussed on reducing its costs, but has also begun an aggressive fundraising initiative. (This aspect will be elaborated on in Chapter 4) Although it offers valuable insights into how NGOs can achieve financial independence, Gibson's article ignores the role of management in attaining financial sustainability. This research report will examine Project Literacy's fundraising activities to determine the role management plays in achieving financial sustainability.

Vincent and Campbell (1990) have developed alternative financing models for NGOs based on two essential components:

- the creation of a capital reserve fund which can generate, through interest earned on investments, enough money to cover the core budget and
- the development of regular sources of income through income generating projects and the sale of services.

However, few NGOs are currently prepared to adopt such activities which are considered too "commercial" and not within the traditional framework of non-profit organisations. In response to this mindset, Gibson (1995: 9) argues that,

community groups should begin to see themselves as development enterprises. Instead of being welfare and charitable associations, they need to see themselves as providing well-managed and cost-effective services and products at a reasonable price, by generating income through investments, and by local fundraising'.

Donors, Gibson contends, can play a role in making NGOs become self-sufficient. Donors and NGOs must create genuine and effective partnerships that will lead to long-term flexible grants, both for the programmes and for the institutional development of the NGO (Gibson, 1995: 9). One might ask whether it is always possible for NGOs to become self-sufficient given that they often serve the poorer sectors of the community. Maybe not, but the researcher would argue that all NGOs need to be managed on business principles insofar as operating and financing procedures go. They should always strive to make their activities as cost-effective as possible.

The focus of development must move from the programme to the organisation itself, with NGOs significantly increasing their own self-financing activities. Vincent and Campbell (1990) suggest that NGOs should begin by fundraising for small projects and after approximately three years the NGO should launch an alternative strategy based on four components:

- the NGO creates a capital reserve fund and regularly allocates 10-20% of its income to the fund;
- It gives priority to self-financing activities such as income generating projects, sale of services, and in-kind contributions from members;
- it spends more effort in fundraising locally from the community, social clubs and the government and
- it negotiates long-term, flexible program grants from its external donors.

As a result, over time the NGO succeeds in generating up to 50% of its income from its own local resources, thus, reducing its dependence on external donors (Gibson, 1995: 9).

Gibson also maintains that for NGOs to achieve financial autonomy, it is possible to identify three preconditions for success: effective management, entrepreneurial attitudes, and new partnerships between donors and NGOs. The shift away from the project towards long-term programmes and self financing activities will inevitably necessitate more effective management practice by NGOs, particularly in areas such as strategic planning, evaluation and financial management (Gibson, 1995: 9). The researcher found this article very useful insofar as it highlights similarities between Gibson's suggestions and the way Project Literacy has achieved financial sustainability.

The fact that most NGOs are experiencing a squeeze in terms of financial resources places NGOs in a very precarious position. The Kagiso Trust study, "An appropriate funding framework for NGOs", arose out of the funders' desire to develop a more sustainable framework for the NGO movement and to enhance the effectiveness and the sustainability of projects that it funds. The Kagiso Trust (WIP Issue no. 15, Dec. 1993) study developed the following principles to guide the funding process:

- The relationship between funders and NGOs and their clients is one of exchange, in which each party has rights and obligations;
- Client needs and objectives should inform the design and delivery of accountable services to clients;
- Several NGOs lack clearly defined organisational and project objectives. These are an essential basis for accountability to the client and the funders. NGOs need to develop effective processes for planning, monitoring and evaluation;
- Funding practice should be matched to the sustainability goals of clients;
- The effectiveness of time-limited grants requires provision for managing cessation of funding and preventing interruption of funding;
- Funders, NGOs and their clients need to demonstrate a commitment to transparency about their objectives, activities and resources;
- The effective implementation of the above principles depends on the capacity of funders, NGOs and their clients to engage with and effect them (WIP Issue no. 15, Dec.1993).

The above principles can and should play a vital role in the creation of sustainable NGOs. However, in this article the role of the manager is once again not made clear. Management styles will influence the application of the above principles. It is clear that vague anti-apartheid activities on the part of NGOs will no longer attract donor funding. There is intense pressure for professional programmes and the efficient delivery of services. This chapter will now look at the concept of sustainability in more detail.

2.4 Sustainability

2.4.1 The Concept of Sustainability

Unpacking the meaning of the concept of sustainability was not an easy task. The difficulty was that in all the literature consulted, sustainability was constantly mentioned in the same vein as the environment. This was not the meaning for which the researcher was searching. The researcher needed to know what a “sustainable” NGO was, and what the criteria for sustainability were. She discovered a book written by Bamberger and Cheema, published in 1990, entitled Case Studies of Project Sustainability: Implications for Policy and Operations from Asian Experience. It was in this book that the most suitable definition of sustainability was found, despite the fact that it referred to a different context. It was concerned with the investigation of sustainability in agricultural and primary education development projects in Asia. Thus, this book, though useful, did not cater for South African NGOs dealing with ABET.

Bamberger and Cheema argue that it is often assumed that careful planning and well-designed implementation strategies were the main keys to success. As a result, sustainability is often ignored. There is thus a need to pay greater attention to sustainability issues in project planning, design, implementation and operation. This rings true for South African ABE NGOs, because these NGOs have suffered some of the consequences resulting from the low priority attached to project sustainability. The most common consequences of ignoring the issues of sustainability were: the reduction in the level and duration of project benefits; reduced quality of services and low priority of long-term institutional development objectives (Bamberger & Cheema, 1990: 7).

2.4.2 Defining Sustainability

Project sustainability is defined by many economists and international development agencies as 'the capacity of a project to continue to deliver its intended benefits over a long period of time'. Honadle and VanSant (1985) have defined the degree of sustainability of a project as

the percentage of project-initiated goods and services that is still delivered and maintained five years past the termination of donor resources, the continuation of local action stimulated by the project, and the generation of successor services and initiatives as a result of project-built local capacity (Bamberger & Cheema, 1990: 7).

The Operations Evaluation Department (OED) of the World Bank holds that

The term "Sustainability" describes the ability of a project to maintain an acceptable level of benefit flows through its economic or financial rates of return. Benefits may also be qualitatively assessed (Bamberger & Cheema, 1990: 7).

As Bamberger and Cheema (1990) suggest, the principle idea contained in both definitions is that any project is designed to produce continuous flow of output, benefits or services throughout its intended lifetime. The success of a project must be assessed in terms of its ability to sustain this flow of benefits over time. This research report aims to use the above definitions to formulate a definition that is more specific to ABE NGOs.

Bamberger and Cheema argue that the assessment of long-term sustainability requires an evaluation of the institutional capacity to sustain the delivery of services. This may

require the evaluation of the quality and stability of staff, adequacy and stability of financial resources for recurring expenditures, co-ordination with other government agencies, and linkages to local community organisations and beneficiaries (Bamberger & Cheema, 1990: 8).

Bamberger and Cheema propose two alternative approaches for defining and assessing project sustainability. The first (used by the OED) defines sustainability on the basis of the Economic Rate of Return (ERR). If the re-estimated ERR after the project has been operating for several years is greater than or equal to the ERR at the time when the project became operational, the project is defined as sustained. If the re-estimated ERR is lower the project is defined as not sustained (Bamberger & Cheema, 1990: 8).

In a second approach for defining and assessing project sustainability, Bamberger and Cheema develop a composite index based on a set of indicators that assesses the degree of sustainability of each of the main project components. It is this second approach which seems more appropriate for determining the sustainability of the kind of NGOs in which this research report is interested in. It is more appropriate because it deals with such issues as continued delivery of services, maintenance of physical infrastructure, long-term institutional capacity etc. These are all issues that impact directly on the sustainability of NGOs.

FIGURE 1. INDICATORS OF PROJECT SUSTAINABILITY FOR SOCIAL DEVELOPMENT PROJECTS

A. Continued Delivery of Services and Production of Benefits

- A1 Comparison of actual and intended benefits and service and their stability over time.
- A2 Efficiency of service delivery
- A3 Quality of services (benefits)
- A4 Satisfaction of beneficiaries
- A5 Distribution of benefits among different economic and social groups

B. Maintenance of Physical Infrastructure

- B1 Condition of physical infrastructure
- B2 Condition of plant and equipment
- B3 Adequacy of maintenance procedures
- B4 Efficiency of cost-recovery and adequacy of operating budget
- B5 Beneficiary involvement in maintenance procedures

C. Long-Term Institutional Capacity

- C1 Capacity and mandate of the principal operating agencies
- C2 Stability of staff and budget of operational agency
- C3 Adequacy of inter-agency coordination
- C4 Adequacy of coordination with community organisations and beneficiaries
- C5 Flexibility and capacity to adapt project design and operation to changing circumstances

D. Political Support

- D1 Strength and stability of support from international agencies
- D2 Strength and stability of support from the national government
- D3 Strength and stability of support from provincial and local government agencies
- D4 Strength and stability of support at the community level
- D5 Extent to which the project has been able to build a broad base of support and to avoid becoming politically controversial

Source: (Bamberger & Cheema, 1990: 9)

Four groups of indicators for project sustainability are proposed. Group A refers to the ability of the project to continue delivering intended services. Group B refers to the maintenance of infrastructure, efficiency of cost recovery and the adequacy of the operating budget. The Group C indicators relate to the long-term institutional capacity of the formal organisations to sustain the operation of the project. The second indicator in group C refers to the stability of staff and budget of the operational agencies. While an agency may initially be provided with adequate resources, these may be eroded over time due to inflation, pressures to increase salaries or a gradual loss of support. Group D refers to support in terms of international agencies, the national government, and community support. (Bamberger & Cheema, 1990: 10).

A high proportion of development projects are subject to major modifications during their implementation and operation, and the long-term sustainability of a project will frequently depend on its ability to adapt to changing economic, technical, and social conditions. Consequently, 'the flexibility and the adaptability of project management and organisation are an important indicator of sustainability' (Bamberger & Cheema, 1990: 10).

The above indicators proposed by Bamberger and Cheema provide a good framework from which to design new criterion for sustainability which will be used for NGOs involved in the field of ABET. The main difficulty with the above indicators is that they are not directly related to ABE NGOs, but the indicators remain nevertheless useful. The most useful aspects are those that deal with the long-term capacity of the organisation. It is particularly relevant for the present context in which NGOs are operating where their major concerns are with capacity building, co-ordination and co-operation with the government and community organisations, and finally, flexibility and capacity to adapt project design and co-operation to changing circumstances.

Another difficulty of these indicators and the whole concept of sustainability is that it does not tie management styles closely enough with the attainment of sustainability. It does not suggest ways in which managerial behaviour can contribute to ensuring sustainability. This is a gap that this research report will seek to fill. This research report

will design criteria from which one can determine the sustainability of ABE NGOs. This could be based for instance, on enrolment figures, ability to function without donor support, the level of use of services offered by clients etc. The researcher will consult with the NGO selected for the case study on their perception of a sustainable organisation.

2.5 Managerial Styles and Practices

Much has been written on management styles. There are different types of managers. Mason (1979: 49) makes it clear that how the leader uses his or her authority will affect both the freedom and productivity of his or her assistants. According to Mason managerial styles vary along a continuum between the extremes of purely autocratic and purely democratic.

As the manager uses less authority and power, the group members gain greater freedom in making decisions. This type of managerial style is often labelled democratic, collegial, collaborative, or free rein leadership. As the leader gradually exercises more authority and control, staff freedom declines. Terms used for this administrative style are autocratic, authoritarian, custodial, or controlled (Mason, 1979: 49).

Mason suggests that the manager of Adult and Continuing Education (ACE) should consider several questions concerning management role and style in an effort to analyse and develop his or her own effective role and style. These questions might include:

- How directive or non-directive should I be?
- When should I make decisions alone, and when should I share this responsibility with others? When does democratic become passing the buck?
- How can I avoid ineffective group thinking on the one hand and stifling authoritarianism on the other?
- How can I, as a leader, be flexible enough to meet changing situations and still give consistent leadership to the group? (Mason, 1979: 49).

Mason poses important questions that should be asked by the manager in his/her selection of management style. The scope of this review does not allow for specific or

detailed answers. The research report accesses relevant information on management styles, and discusses how these feature in different contexts and affect decision-making. Mason mentions that Douglas McGregor set forth two opposing sets of management philosophies that he called Theory X and Theory Y. The Theory X-type manager uses the autocratic style by arbitrarily exercising power, direction, control, extrinsic rewards, negative motivation, and demanding compliance of workers (Mason, 1979: 50). The autocratic manager takes all the responsibility for decision making and planning. He or she structures, controls and closely supervises his or her staff.

In contrasting style, the Theory Y manager relies on leadership, participation or teamwork, self-direction, commitment of staff members, intrinsic rewards, and positive motivation (Mason, 1979: 50). General rather than close supervision is therefore provided, and the major concern is with unleashing a person's potential and effectively using human resources through participation. The Theory Y manager attempts to help his or her staff members mature by exposing them to progressively less control and allowing them to assume more and more self-control. Theory X and Y management types are merely opposing styles to be criticised or approved. In the real world of management, it would be very difficult to find a pure Theory X manager (Mason, 1979: 51). While the above discussion of the two main styles of management is useful, it ignores the direct relationship between management style and its contribution to sustainable NGOs, which is the main concern for this research report. It provides a choice between autocratic and democratic styles of management, but it does not show *how* either one can in reality contribute to the success of organisations, or how the management styles do contribute to sustainable organisations.

Mason asserts that Theory Z, or situational management, gained support in the late 1970's. Proponents claim that each management situation is different and requires different leadership behaviour. There is no single, all-purpose managerial style that is effective in all situations (Mason, 1979: 51). It is not useful to talk about superior versus inferior leaders. Rather it is better to speak of leaders who tend to be effective in one situation and ineffective in another. It is the view of the researcher that the ACE manager

should be flexible and take into account that different situations may require different styles of management, depending upon the circumstances and people involved. Mason asserts that there is little practical value in theory unless a manager can begin to see *how* leadership depends on the situation, and therefore, *what* style tends to be effective with particular individuals and groups in changing environments (Mason, 1979: 52).

New leadership styles that are currently being advocated include those of consultation and equal participation. The consultation style encourages staff and students to influence decision making from the beginning. The manager would probably present the problem and pertinent background information, and representatives from the various groups affected by the decision would probably be asked to pose alternative solutions. The manager would then select the one that is most promising. In this case the role of the manager would be to participate in the discussion as just another member, having agreed to accept the group's decision. The management style or role utilised should depend on accurate assessment of the tasks and the persons carrying out the tasks. One dominant leadership style will not work effectively in all situations. The ACE manager, by being both flexible and insightful, can maintain a consistently high rating as a "good" manager by accurately assessing the forces that influence a given situation (Mason, 1979: 55) and acting in the most suitable management style and role. What is ignored in this article is that this process can be very time consuming.

The issue of how modern managers can be democratic in their relations with subordinates, and, at the same time maintain the necessary authority and control in the organisations for which they are responsible, has increasingly come into focus. Initially the successful executive was generally pictured as possessing intelligence, imagination, initiative, the capacity to make rapid and wise decisions, and the ability to inspire subordinates. People thought of the world as being divided into "leaders" and "followers" (Tannenbaum & Schmidt, 1991: 25).

Gradually, however, the concept of "group dynamics" emerged with its focus on *members of the group* rather than solely on the leader. Research by social scientists underscored the importance of employee involvement and participation in decision-

making (Tannenbaum & Schmidt, 1991: 25). Evidence challenged the efficiency of highly directive leadership, and attention was given to problems of motivation and human relations. Thus research has called into question the stereotype of an effective leader. Consequently, modern managers find themselves in an uncomfortable state of mind (Tannenbaum & Schmidt, 1991: 25).

Tannenbaum & Schmidt suggest that three factors/forces be of particular importance when a manager is deciding how to manage. They are:

- forces in the manager;
- forces in the subordinates;
- forces in the situation' (Tannenbaum & Schmidt, 1991: 29).

In conclusion, the article argues that successful leaders are those who accurately understand themselves, the individuals and groups they are dealing with, the organisation and the broader social environment in which they operate. Successful leaders are those who are able to behave appropriately in the light of these perceptions. If direction is in order, they are able to direct; if considerable participative freedom is called for, they are able to provide such freedom. Thus, successful managers of people can primarily be characterised neither as strong leaders nor as permissive ones. Rather they possess the ability to determine what their most appropriate behaviour at any given time should be and are able to behave accordingly (Tannenbaum & Schmidt, 1991: 29).

2.6 Functions of Management

Loen (1971: 9), Mason (1979: 56) and Smith & Offerman (1991: 250) all agree that the basic functions of successful management are planning, organising, staffing, directing or leading, controlling, and practising time management. Good management starts with effective *planning*. Loen (1971, 9) defines planning as 'determining what needs to be done, by when, and by whom to fulfil one's assigned responsibility'.

Smith & Offerman (1991: 250) define planning as the 'process of setting objectives and selecting steps to attain the objectives through analysis and evaluation of alternatives'. Planning sets basic directions for the organisation. A specific approach to planning is strategic planning, a model conducive to the comprehensive concept of management. 'Strategic planning is a methodology that considers all environmental and organisational opportunities and constraints' (Smith & Offerman, 1991:251). It is the view of the researcher that, due to the changed environment in which NGOs find themselves, strategic planning is of vital importance. This research report will investigate how Project Literacy plans its activities and how this contributes to achieving sustainability.

Mason (1979) and Smith & Offerman (1991: 251) agree that to organise is to

develop a system of roles and responsibilities and to delegate tasks and resources that provide maximum performance, clear expectations, and effective decision-making. The most successful organisations have basic, uncomplicated organisational structures that allows for flexibility and rapid adaptation.

The purpose of the *organisational* function is to design meaningful organisational structure composed of positions or roles in which people can accomplish the organisational goals.

As the planning process progresses and resources are organised, it is necessary to evaluate the process to ensure the accomplishment of the goal and the objectives. Smith & Offerman (1991: 251) argue that evaluation provides information that the ACE staff can use to compare actual activities with the intended plan, or, if deviations occur, to change the plan itself or to change the organisation in order to achieve the plan. The evaluation methods selected should be based on their ability to provide useful information and ease implementation. Evaluations are conducted through data analysis, client interviews and programme audits. Most importantly, evaluations are conducted through careful, continuous personal observation (Smith & Offerman: 1991: 251). This function of evaluation is an important one, but one that remains largely ignored and which possibly explains the inability of many NGOs to achieve sustainability.

Staffing has to do with staffing an organisation's structure to assure that an organisation can operate competently. The *directing or leading* function is concerned with the interpersonal relations of managers and staff and involves dealing with human beings to achieve desired objectives. Its components are managerial style, communication and motivation. *Controlling* assures that plans succeed by detecting deviations from plans and by furnishing a basis for taking corrective action (Mason, 1979: 56).

Mason contends that it is essential to the effectiveness of the organisation that the entire management team and ACE faculty clearly understand the organisation's programmes, goals and mission, as well as their role in achieving those goals. In order to make it possible for the people involved in the entire ACE enterprise to work effectively toward accomplishing organisational goals, a structure of roles must be designed and maintained. This is the organising function of management.

Future planning for any organisation, especially in an adult and continuing education programme, needs to be a high priority. Societal developments should be considered in the long-range planning of ACE programs. ACE programmes should be on the cutting edge of changes. For this reason managers of ACE should focus on how to plan for change and thus help themselves and others respond to new environments in an effective and creative way (Mason, 1979: 84). The information that can be obtained from future studies can greatly aid the ACE manager in making more intelligent decisions. The researcher agrees with the above views put forth by Mason. What this research report will attempt to make clear is how these functions are perceived and carried out in reality.

2.7 Organisational Change

According to Moholo (1994), an organisational development specialist working in NGOs that have recently survived arduous processes of restructuring, the management and staff must be supportive of organisational change processes.

This reading is extremely useful for this research report as well as for NGOs that are going through similar processes. What this research report aims to provide are lessons

that managers should learn about styles of management and how they can enhance the sustainability of their ABE NGOs. There is a relationship between management styles, organisational change and sustainability. The kinds of management styles and practices used by leaders of organisations will determine how organisational change is managed. If organisational change is managed effectively it means that the organisation's chances of achieving sustainability will be increased.

2.8 Development Management

The article by Campbell (1987) was useful insofar as it pointed out four major influences on the management of NGOs. Campbell argues that there is, at present, no consensus concerning the nature of NGO management principles and practices. The first assumes that NGOs are organisations like any other and hence argues that the NGOs should give priority to introducing the well-established management principles and practices that already exist in the commercial sector. The second sees the context of NGOs activities as the critical factor and therefore believes that development management principles should strongly influence the management of NGOs. The third focuses on NGOs as non-profit-making organisations which have - or should have - their own management principles (Campbell, 1987).

The dominant management principles have emerged from the western commercial/industrial sector. These concepts may be inappropriate to the needs of organisations which are not commercially orientated or which work in different cultural situations. Many specialists however, believe that the "non-profit versus commercial" issue is irrelevant as management principles should apply to all organisations regardless of their nature and functions. Others believe that traditional management concepts developed in the 1950s and 1960s may be inappropriate to NGOs. There is a wide variety of new theories and concepts that are very relevant to NGOs, for example, strategic management, participatory management and problem solving teams (Campbell, 1987:19).

The fourth influence is development management. It focuses on the context of the organisation's activities. The argument is based on the theory that development organisations should start by analysing the management implications of their development programmes and, from these, determine the management principles and practices for the organisation. There is a need for substantial changes in the management structures and systems of NGOs as well as in the skills that NGO executives should possess. For example, facilitation skills are important for the facilitator, who in turn, also requires excellent communication skills, group process skills, skills in coordination and coalition building. Field staff require team building, problem-solving, planning and negotiating skills. Strategic management skills are frequently mentioned: the ability to help organisations to develop and plan their own programmes in the context of an unpredictable environment and the ability to develop organisational strategies that are appropriate, effective, and that have long-term impact (Campbell, 1987: 19). The question that arises, however, is 'how many managers actually possess these conceptual skills?' Furthermore, could part of the reason for the failure of so many NGOs be due to the lack of appropriate skills?

In voluntary organisations, too, management is based on the view that NGOs are unlike companies or governmental organisations. NGOs are non-profit making, voluntary organisations that normally originate as community initiatives. There is a strong body of opinion within NGO management circles that argues that NGOs need to develop their own set of management principles and practices.

In fact the three approaches are potentially complementary. NGOs need to develop basic organisational systems and skills. They can use many of the management concepts and theories that have emerged from the commercial sector. Finally, Campbell argues that the environment in which the NGO operates should be an important factor in determining its management practices. Thus the four major influences on the management of NGOs can be summarised as follows:

- ❑ Basic principles of running organisations;
- ❑ Principles pertaining to the management of voluntary organisations;
- ❑ Development management practices and ;
- ❑ Cultural environment factors.

In short, NGOs need to take into account all four elements when they are designing, or adapting, their management principles and practices (Campbell, 1987: 20).

2.9 Conclusion

Through a literature review the researcher was able to confirm assumptions about contextual issues and pressures. The literature review also enabled the researcher to unpack the concept of sustainability and formulate some criteria for achieving sustainability. Some of these criteria are continued delivery of service, the maintenance of infrastructure, building long-term organisational capacity and political support.

Bamberger and Cheema (1990) have provided very useful definitions of sustainability that this research intends to expand upon and relate more closely to NGOs involved in ABE. They also devised valuable indicators of project sustainability for social development projects. These indicators will be modified to assist ABE NGOs to evaluate their own sustainability.

The review of the literature also illuminated some of the main issues that will be explored further in the research report. The first issue identified was the context in which NGOs are currently operating. The second issue was funding and how NGOs can achieve financial sustainability. Managerial styles and practices were the third issue that was identified. The fourth was the issue of organisational change and how it relates to managerial styles and sustainability of NGOs.

CHAPTER THREE: RATIONALE FOR SELECTING A QUALITATIVE STUDY: A RESEARCH DESIGN

3.1 Aims of the Chapter

This chapter has two main aims. The first aim is to inform the research design through a review of the literature. The second aim is to outline the actual research design. The chapter also considers how the researcher's educational/research philosophy influenced the research design of the research report. Finally the chapter provides a rationale for the choices that have been made by the researcher regarding the research framework, research methods and research instruments/techniques.

3.2 Outline of the Chapter

The chapter begins with a review of relevant literature that informs this research design. Secondly, the researcher will discuss her own educational philosophy so as to show that philosophy informs practice. The researcher is more inclined toward humanism and progressivism. Thirdly, the researcher will discuss the research approach that is qualitative research, on which the research report is based. Fourthly, the chapter will focus on the research framework, that is the case study. Here the researcher will explain what this method entails and why this particular framework was selected. Fifthly, the chapter will explore the research methods that are congruent with qualitative research and focus in particular on interview methods. Sixthly, the paper will discuss two research instruments that were used to collect data. The two research instruments are the questionnaire and the interview schedule. Throughout this chapter the researcher will ground her own experiences in theory and suggest some useful hints for other researchers.

3.3 Literature Review on Methodology

There are two main distinctions in research design, that is between experimental (or quantitative, or positivist) and non-experimental (or qualitative or post-positivist)

research. Experimental research assumes that the researcher can manipulate the variables of interest, thus there is a high level of control over the research situation (Merriman, 1988: 151). Non-experimental research is often labelled descriptive research. Its goal is to examine events or phenomena, to characterise "something as it is. There is no manipulation of subjects; the researcher takes things as they are" (McMillan & Schumacher, 1984, 26). For the purposes of the research question, the researcher has chosen to conduct the study in the qualitative approach.

The term qualitative research,

is an umbrella term covering an array of interpretative techniques which seeks to describe, decode, translate ... come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world (Cassel & Symon, 1994: 3).

Qualitative and quantitative research are both appropriate to different types of research problem, implying that the research issue determines which style of research is employed. Thus both can be used together in the same study. Gill and Johnson (1991) argue that techniques are not in themselves positivist or phenomenological, it is how they are used and how the data is interpreted that defines the epistemological assumptions on which they are based (Cassel & Symon, 1994: 3).

The literature consulted on methodology (Macmillan & Schmacher, 1993; Cassel & Symon, 1994; Hartley, 1994) was extensive and dealt with a range of issues such as the characteristics of qualitative research. The two most striking characteristics of qualitative research that were identified were, firstly, that it allows one to provide detailed analysis of change. Secondly, participants are perceived as active shapers of events and situations. These two characteristics have serious implications for how research is done.

3.3.1 Characteristics of Qualitative Research

One of the reasons qualitative study was selected is because qualitative research does not impose restrictive classifications on the collection of data. Another reason for choosing this approach is because qualitative research is less driven by specific hypotheses and

categorical frameworks and more concerned with emergent themes and idiographic descriptions. Qualitative methods allow for the detailed analysis of change (Cassel & Symon, 1994, 4-5), which is one of the major concerns of this study.

The next characteristic, the role of the researcher, provided an important motivation for selecting qualitative research for this study. On a theoretical level the respondent (individual or organisation) in qualitative research is conceptualised as an active shaper of situations and events. Consequently, the participants in such studies should be proactive in defining their own key issues in relation to the investigation. This makes the research process more transparent to the respondents and hence more accessible. There is a recognition of the authority of the respondent, but also of the role of the researcher in the research. Rather than being an uninvolved bystander observing the organisational action, the researcher is a social being who has an impact on the behaviour of those around. Because qualitative methods are frequently more interactive, more intensive and involve a long-term commitment, researchers are likely to build up a social relationship with the organisational members. In this way researchers can therefore gain more insights into their collective understanding by actively sharing this experience (Cassel & Symon, 1994: 6-7).

In summary, the researcher selected qualitative research for this study for the following defining characteristics:

- A focus on interpretation rather than quantification;
- An emphasis on subjectivity rather than objectivity;
- Flexibility in the process of conducting research;
- An orientation towards process rather than outcome;
- A concern with context – behaviour and situation are inextricably linked in forming experience, and finally
- An explicit recognition of the impact of the research process on the research situation (Cassel & Symon, 1994: 7).

3.3.2 Research Framework: The Case Study

Due to the nature and aims of the study the researcher has opted to approach the study qualitatively. The case study is for the researcher the most logical framework in which to achieve the aims of the study. The researcher believes that her philosophical beliefs about how knowledge is constructed are congruent with the case study.

Much has been written about the case study. Case study research is a heterogeneous activity covering a range of research methods and techniques, a range of coverage, differing lengths and levels of involvement in organisational functioning, and a range of differing data (Hartley, 1994: 226). The key feature of the case study method is not method or data, but the emphasis on understanding processes as they occur in their context. The emphasis is on the relation between the context and the topic under investigation which is why this study started with an analysis of ABE NGOs. Much case study research, because of the opportunity for open-ended inquiry, is able to draw on inductive methods of research which aim to build theory and build hypotheses rather than primarily test them. A conceptual framework is essential, even if the researcher knows the framework will change as a result of the data which will come to light (Hartley, 1994: 227).

3.3.3 Definitions of a Case Study

Hartley defines a case study as,

a detailed investigation, often with data collected over time, of one or more organisations, with a view to providing an analysis of the context and the processes involved in the phenomenon under study (Hartley, 1994: 208-209).

Simons (1989) and Hartley agree that the case study is not a method, as is sometimes assumed. For Simons, case study is a focus of study, whether the focus is a classroom, an institution or a system. The essential feature is the case (Simons, 1989: 116). The researcher agrees with Hartley that the case study is a research strategy that can be utilised to answer the research question. Both authors agree that a wide range of methods, qualitative and quantitative, or both can be used. However, in this research

report the emphasis is on qualitative methods and the case study because of the nature of the questions posed.

Participant observation, either in the role of researcher or as active participant is a technique that is used widely. The role that the researcher assumes in this study is that of researcher. A further technique is to use interviews with a variety of informants within the organisation. These range from semi-structured to relatively unstructured, following issues as they become pertinent to the research. The researcher has opted to use a combination of semi-structured and unstructured interviews as she believes these offer the best opportunity to gather rich data. The case study may also involve the use of questionnaires in addition to a detailed investigation through observation and interviews. Most case study researchers will use a combination of methods, partly because complex phenomena may be best approached through several methods, and partly deliberately to triangulate the findings and thereby improve validity (Hartley, 1994: 209-210).

The value of theory is fundamental. Case studies need to develop theoretical frameworks that inform and enrich data and provide a sense of the uniqueness of a case. A case study without theory may easily generate into a story. The point is, without a theoretical framework the researcher is in danger of providing description without wider meaning (Hartley, 1994: 210). Case studies may also be distinguished by their approach to theory building. The opportunity to explore issues in depth, in their context, means that theory development can occur through the systematic piecing together of detailed evidence to generate or replicate theories of more general interest. Case studies have also been used in studies of organisational behaviour, especially in understanding organisational change, as shaped by internal forces and the external environment (Hartley, 1994: 211).

3.3. 4 Strength and Uses of Case Study

The case study allows for a continuous analysis of the various actions and meanings which take place and which are constructed within organisations. The open-ended nature of the data-gathering also allows for processes to be examined in considerable depth. Case studies are also useful where it is important to understand those social processes in

their organisational and environmental context (Hartley, 1994: 212). Case studies are tailor-made for exploring new processes or behaviours or those that are little understood. Case studies have an important function in *generating* hypotheses and *building* theory. Case studies can be used where the intention is to explore not only typicality, but unusualness or extremity with the intention of illuminating processes (Hartley, 1994: 213).

3.3.5 Conclusion

Through a review of the literature on research methodology, the researcher was able to place this case study within the qualitative research approach. The following section of the chapter focuses on the research design and offers a rationale for selecting a qualitative study.

3.4 The Researcher's Educational Philosophy

3.4.1 The Importance of having a Philosophy about Education and Research

Merriam in Hiemstra (1988: 180) notes that philosophy can inform practice, provide guidelines for policy decisions and guide administrators, teachers, and counsellors in their everyday practice. Having a philosophical orientation means being aware of what one is doing and why one is doing it. Thus the main power of philosophy is its ability to help people better understand what they do (Hiemstra, 1988: 180).

3.4.2 The Researcher's Personal Philosophical Beliefs about Education

Hiemstra (1988) presents a set of philosophical systems that overlap with five of the frameworks presented by Elias and Merriam (1980). To this, Hiemstra has added two systems, idealism and realism. The researcher has consequently developed her own philosophical system based on the work of Elias and Merriam (1980) and Hiemstra (1988).

The researcher draws eclectically on several systems (idealism, liberalism, radicalism and humanism), however humanism informs most of what she does as a teacher and a researcher. She believes that there are no absolute truths. She holds firmly that knowledge leads to an understanding of reality. The researcher believes that experience is central to development (ie. progressivism). She asserts that education and knowledge can bring about behavioural change (ie. behaviourism). She maintains that learners have the potential to reason. She believes that the aims of education are to encourage learners to strive for and achieve self-actualisation (ie. humanism). Her educational aims are to facilitate the intellectual abilities of her learners (ie. realism). She believes, finally, that change can be brought about through education/knowledge (ie. radicalism). The educational methods that she espouses include the following: problem-solving (ie. progressivism), experimental methods (ie. progressivism), teacher as facilitator, self direction and teamwork (ie. humanism) (Hiemstra, 1988: 183-184). The researcher's values and beliefs are reflected in the choice of topic as well as the research tools.

The implication of the above for the research report are: due to the belief that there is no absolute truth, she believes that her respondents are positioned and that they possess their own perspectives. Consequently the "truth" that she derives from them, will be their truth, as well as her interpretation of the truth. The researcher believes that this will impact on the outcome of the report as it has implications for issues of generalisability, subjectivity and validity.

3.5 Issues of Objectivity, Subjectivity and Validity

In qualitative and participatory modes of research, valid knowledge is established through the meanings that those being studied attach to the phenomena. Reason and Rowan (Merriman, 1988) point out that validity in this context,

must concern itself both with the knower and what is to be known; valid knowledge is not that discovered by controlling or confounding variables; rather it is that which emerges from the shared experiences of those involved in the phenomenon under investigation (Merriman, 1988: 147).

Achieving any objectivity with human beings is highly debatable. The researcher is inclined to believe that achieving objectivity is impossible. Thus the researcher agrees with Diener & Crandall in (Merriman: 1988: 147) who argue that value-neutrality in research is impossible because firstly, topics are often determined by social forces. Secondly, "personal beliefs, experiences, values, and the disciplinary orientation of the researcher determine how problems are conceptualised and what questions are asked" (Merriman, 1988: 147). Thirdly the external world cannot be known in any absolute sense. Rather there are many realities dependent on one's culture and perceptions. Whilst the researcher acknowledges the fact that knowledge production is subjective and value-laden, she (and any other researcher) is compelled to minimise bias in collecting and analysing data (Merriman, 1988: 148). In summary, engaging in research in adult education is not a simple matter of producing knowledge. The questions selected for investigation are linked to a researcher's position on the nature of knowledge, the production of knowledge, and the uses of knowledge (Merriman, 1988: 149).

Acceptance of the subjectivity of the research endeavour is one of the cornerstones of the qualitative approach. The argument is that the search for objectivity is to some extent misguided for it is the participants' perspectives on, and the interpretations of, the situation which are of value in understanding behaviour (Cassel & Symon, 1994: 4).

3.6 Philosophies Behind Qualitative and Quantitative Research

The assumption behind the positivist paradigm is that there is an objective truth which exists and that can be revealed through the scientific method. The method focuses on measuring relationships between variables systematically and statistically. Filstead (1978) argues that qualitative techniques emerge from phenomenological and interpretive paradigms. The emphasis is on constructivist approaches where there is no clear-cut objectivity or reality. Social life emerges from the shared creativity of individuals (Cassel & Symon, 1994: 2).

Glaser and Strauss (1967) contend that the perception that different methods emerge from different philosophies has important implications. Firstly, theory is generated

differently depending on the paradigm. In the positivist approach, theory is deduced as a result of testing hypotheses. In phenomenological and interpretive approaches, theory is generated from the data collected. Secondly, as already stated, there are different perceptions of the nature of knowledge (Cassel & Symon, 1994: 2). As stated earlier (on page 27) qualitative and quantitative research are both appropriate to different types of research problems and can both be used together in the same study.

3.7 The Research Framework: The Case Study

3.7.1 A Rationale

The case study method is the most appropriate for the purposes of this study in that it 'gives an opportunity for one aspect of the problem (ie. management styles and/or sustainability) to be studied in depth within a limited time scale' (Bell, 1993: 6). Another reason for selecting the case study approach lies in the fact that it allows one to use a range of research methods. As Bell observes, though observation and interviews are most frequently used, no method is excluded. The case study is appropriate for this study because it allows the researcher to hone in on specific issues, as well as to use a range of methods such as observation, interviews and questionnaires. The case study is for the researcher the most logical framework in which to achieve the aims of the study. The researcher believes that her philosophical beliefs about how knowledge is constructed are congruent with the case study.

3.7.2 A Rationale for Selecting Project Literacy as a Case Study

Case studies are also usually selected based on the fact that they are either typical or atypical. Project Literacy is atypical for a variety of reasons:

- Project Literacy is an old organisation formed in 1973, and as such it is very well known in ABE circles. It has an excellent track record with donors, industry and those who use its materials.

- They are client and service driven. The organisation co-ordinates three adult education centres which serve as 'living laboratories'. This means that the AECs are used to implement and test materials produced by the organisation on their adult learners. Curricular changes are also implemented at these adult education centres.
- The organisation has been through a thorough restructuring process that has resulted in a well organised management system throughout the organisation. The restructuring process has transformed Project Literacy into a more efficient and cost effective organisation.
- The organisation has also developed clear conditions of employment, disciplinary and grievance procedures. Project Literacy is the organisation in the ABET field with the most capacity and the widest range of products and has moved successfully towards self-sustainability by adopting sound business principles.
- Project Literacy has extremely high profile members on their Boards of Directors and Trustees, such as Advocate Dikgang Moseneke (prominent businessman, Chairperson at Project Literacy, Chairperson of the TELKOM Board of Directors, ex-PAC Vice-President, and ex-Robben Island prisoner), Mr Justice Johann Kriegler (Chairperson of the Independent Electoral Committee), Mr Justice Fikile Bam (President of the Land Claims Court, Judge ex-Chairperson of the Wits University Council and ex-Robben Island prisoner) Ruda Landman (Investigative journalist of Carte Blanche fame) and Doreen Morris (TV personality) among others.
- Project Literacy has a sound understanding for the tendering process and has won three government tenders (Minutes of Strategic Planning Meeting, December 1997).

3.8 Generalising from Case Studies

There are two opposing and simplistic arguments about case studies. The first is that case studies can shed light on the fine grain detail of social processes in their appropriate contexts. The counter argument is that case studies are lacking in rigor and reliability and that they do not address the issues of generalisability that can be so effectively tackled by quantitative methods. Hartley (1994) argues that this type of argument is outmoded. He asserts that there is nothing about a method *per se* which makes it strong or weak. The argument about method depends on two factors. First, the relationship between theory

and method, and, second, how the researcher attends to the potential weaknesses of the method (Hartley, 1994: 208). Once data has been collected and analysis undertaken, how can one write a case study in a way that is insightful not only about the case itself but also more generally about organisational behaviour and process? That is, how does one generalise from the case study?

For a quantitative researcher generalising is achieved through such techniques as sample size, sampling and so on. The idea is to be able to sample cases which are typical, in specified ways, of the population. If the sample is correctly drawn, then the results are deemed to be applicable (generalisable) to the specified population. This is a useful aspect of generalising but it is not without difficulties. By using a quantitative approach, one can only make generalisations about the sample to the population. It is problematic when the sample is not typical, especially organisations that are heterogeneous. This is where case studies can be useful. The detailed examination in a context can reveal processes which can be proposed as general or as peculiar to that organisation. The detailed knowledge of the organisation and especially the knowledge about the processes underlying the behaviour and its context can help to specify the conditions under which the behaviour can be expected to occur. In other words, the generalisations are about theoretical propositions not about populations (Hartley, 1994: 225). Thus, the basis of the generalisation is not primarily about the typicality of the organisation. Rather, the argument is about the existence of particular processes, which may influence behaviours and actions in the organisation. The value of specifying processes rather than variables is seen in situations where there is rapid change. There are certain actions which the researcher can take to ensure that generalisations are as strong as possible. Clearly, the measures for ensuring the internal validity of the research are important so that the case study itself is well argued, well-presented and has examined alternative explanations of the data. In generalising from the study, using existing literature to assess the extent of generalisable findings is important. The aim of writing with a clear conceptual framework rather than a narrative will also help to relate theory to the literature and aid generalisation.

3.9 Qualitative Data Gathering Methods: The Qualitative Research Interview

The most widely used qualitative method in organisational research is the interview. It is a highly flexible method that can be used almost anywhere, and it is capable of producing data of great depth. It is a method with which most research participants feel comfortable. However, due to the familiarity with this method, the danger exists that researchers feel that the method is so familiar that it does not need thought. As much thought needs to go into the design and execution of a qualitative research interview as into using any other methodology.

3.9.1 Definitions

Cohen and Manion (1994) define interviews as “vocal questionnaires”. Cannell & Kahn (1968) define an interview as “a two-person conversation initiated by the interviewer for the specific purpose of obtaining research relevant information, and focussed by him or her on content specified by research objectives of systematic description, prediction, or explanation” (Cohen & Manion, 1994: 271). The types of interview that can be considered qualitative are variously referred to as depth, exploratory, semi-structured, or unstructured interviews. Kvale defines the qualitative research interview as

an interview whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena (Kvale, 1983: 174).

3.9.2 Purposes

Cohen and Manion identify three main purposes for interviews. The first is that they are principal means of gathering data. The second is that interviews can be used to test hypotheses or to suggest new ones, or as an explanatory device to help identify variables and relationships. The third, is that interviews can be used to follow up unexpected results (Cohen & Manion, 1994: 272).

3.9.3 Kinds of Interviews

Cohen and Manion (1994) identify four kinds of interviews. The first is the **structured interview**. Here content and procedures are organised in advance. Wording and questions are determined in advance. The interviewer has little freedom to make modifications. It is characterised as being a closed situation (Cohen & Manion, 1994: 273). The **structured interview** is diametrically opposed to the qualitative research interview. In the structured interview, the researcher uses a detailed schedule with questions asked in a specific order. Every effort is made to control the way the questions are asked in order not to bias the responses of different interviewees. Questions are mostly closed and will use numerical rating scales, and or tick-boxes. The interview will rarely be taped; instead, the interviewer will record the responses by hand (King, 1994: 15). This kind of interview will not be used for this research report as it is too controlled and lacks the flexibility needed to give respondents the opportunity to speak freely and it denies the researcher the opportunity to probe and clarify issues.

The second kind is the **unstructured interview**. It is characterised by an open situation, that allows greater flexibility and freedom. The interviewer is free to modify the sequence of questions, change the wording, explain or add to them completely (Cohen & Manion, 1994 271). However, it is not a casual affair, it has to be carefully planned (Cohen & Manion, 1994 273).

The **non-directive interview** is the third kind of interview identified by Cohen and Manion (1994). Minimal direction or control is exhibited by the interviewer and the respondent has the freedom to express his/her subjective feelings as fully and as spontaneously as he/she chooses or is able (Cohen & Manion, 1994: 273). The interviewer can raise the key issues in a conversational style instead of having a set questionnaire (Cohen & Manion, 1994: 271). The interviewer takes a subordinate role (Cohen & Manion, 1994: 271). King identifies a similar interview that he calls the **semi-structured interview**. An interview schedule is used, with questions included in a set order. However, many more questions will be open ended and there may be flexibility to allow variation in the order in which groups of questions are asked. King refers to this

kind of interview as **structured open-response interviews** (King, 1994: 16). For the purposes of this study the researcher has used unstructured and semi-structured interviews, mainly because of the opportunity it provided to probe and clarify issues directly with the respondents. It also accords a central role to the participants as they understand the context of the organisation best.

The **focussed interview** is the fourth kind of interview. There is more interviewer control, where the interviewer focuses on a respondent's subjective responses to a known situation in which he or she has been involved and which has been analysed by the interviewer prior to the interview. Data from the interview can be used to substantiate or reject previously formulated hypotheses (Cohen & Manion, 1994: 273). For the purposes of this study the researcher did not use structured interviews at all. Rather, a combination of unstructured, semi-structured and focussed interviews was conducted.

3.9.4 Characteristics of Qualitative Interviews

Among the common characteristics of qualitative interviews are:

- a low degree of structure imposed by the interviewer;
- a preponderance of open questions and
- a focus on 'specific situations and action sequences in the world of the interviewee' rather than general opinions and abstractions (Kvale, 1983: 176) .

Qualitative research interviews vary in their focus - from broad focus, to narrower focus on particular topics. Though never highly structured, they also vary in the degree of structure imposed, from relatively spontaneous, unstructured discussions used during the course of the participant observation study to quite detailed interview guides.

A key feature of the qualitative research interview method is the nature of the relationship between the interviewer and the interviewee. In quantitative research using structured interviews, the interviewee is seen as a research 'subject' in much the same way as he/she would be if completing a questionnaire or taking part in an experiment.

The researcher's concern is to obtain accurate information from the interviewee, untainted by relationship factors. The interviewer therefore tries to minimise the impact of interpersonal processes on the course of the interview. In contrast, the qualitative researcher believes there can be no such thing as a 'relationship-free' interview. The interviewee is seen as a 'participant' in the research, actively shaping the course of the interview rather than passively responding to the interviewer's pre-set questions.

3.9.5 Constructing and Conducting Qualitative Research Interviews

1. Defining the research question: When constructing and conducting qualitative research interviews it is important to define the research question. The research question should focus on how participants make sense of particular elements of their lives. The primary concern should not be to quantify individual experience and the researcher should be wary of framing the question in a way which reflects his or her own biases (King, 1994: 18).

2. Creating the interview guide: The qualitative research interview is not based on a formal schedule of questions to be asked word-for-word in a set order. Instead it uses an interview guide listing topics that should be covered in the interview (King, 1994: 19). The guide can consist of main questions, subsidiary questions and probes to remind the interviewer to explore certain areas in more depth (King, 1994: 20).

3. Recruiting participants for the study: Recruitment will depend on aims of the study. In deciding how many participants to recruit, the amount of time and resources available are critical factors. Think of the time involved in developing the interview guide, recruiting participants, conducting the interviews; travelling to and from them, transcribing and analysing such a transcript and feeding back findings (King, 1994: 20). Potential participants must be assured of confidentiality, and should be told clearly for whom the research is being carried out and what it hopes to achieve.

3.9.6 Issues of Reliability and Validity

Reliability: Both quantitative and qualitative researchers are concerned that the measures they use will produce the same results when applied to the same subjects by different researchers (King, 1994: 30). Qualitative research, in seeking to describe and understand how people make sense of their world, does not require researchers to strive for objectivity and to distance themselves from research participants (King, 1994: 31).

However, Kvale argues that it is just as important as in the structured quantitative interview that the findings are not just simply the product of the researcher's prejudices. This can be guarded against in two ways. First, researchers should explicitly recognise their presuppositions and in the analysis of the data make a conscious effort to set these aside. Second, at the stage of coding for themes and categories, comparisons can be used.

Validity: In quantitative research, a valid instrument is one that actually measures what it claims to measure. Similarly, in qualitative research, a study is valid if it truly examines the topic that it claims to have examined. In essence the concept of validity is the same in both research traditions. However, in qualitative research the concern is for the validity of interpretations. The involvement of other people such as colleagues and interviewees, is crucial to considerations of validity in interpreting data from qualitative research interviews (King, 1994: 32). The researcher offered the respondents an opportunity to examine transcripts of interviews, drafts of interpretations and findings etc. so that they could have an opportunity to respond and check the factual content of the accounts.

3.9.7 Analysing Data from Qualitative Interviews

This section starts by discussing what happens when analysing data in qualitative research generally and then it focuses more specifically on qualitative interviews.

Data collection and data analysis are developed together in an iterative process. It is important for the researcher to engage in a careful description of the data and the

development of categories in which to place behaviours or processes. The data may be organised around certain topics, key themes or central questions. Initial interrogations of the data may lead to unexpected or unusual results which may mean that the categories need refining or that the event needs to be interpreted in a different way (Hartley, 1994: 220).

Using narrative to write up the case study is not enough, partly because it might not be of interest to those outside the organisation. Thus, every effort was made to identify the wider implications of the study while giving a strong sense of the particular circumstances of the case. The careful checking of constructs and theory against various sources of evidence helps prevent being biased by early impressions (Hartley, 1994: 221).

There is no single set of rules for the analysis of data from qualitative research interviews (King, 1994: 22). It is however, possible to identify common features in the methods of analysis used across different studies. The process of qualitative data analysis takes many forms but is fundamentally 'a non-mathematical analytical procedure that involves examining the meaning of people's words and actions' (Kut, 1994: 121). Strauss and Corbin (1990) identify three approaches to analysis. The first is to allow respondents to speak for themselves as much as possible without interpretation from the researcher. The second approach identified by Strauss and Corbin is that of the researcher who is mostly concerned with accurately describing what he or she has understood. In this approach there is some interpretation of the data. The result will be a description that weaves the speaker's words, field note quotations and the researcher's own interpretations. The third approach is concerned with building theory. This requires a high level of interpretation and abstraction to arrive at the organising concepts of a theory to explain the phenomenon under study. For the purposes of this study the researcher selected the second approach that can be termed a 'thick description' or an 'interpretive-descriptive' approach (Kut, 1994; 122).

3.9.8 Advantages of the Qualitative Research Interview Method

It is one of the most flexible methods available, because different kinds of interviews can be used for different kinds of research questions. It can be used to address focussed and specific issues, as well as broader issues. The qualitative research interview is a method which people accept easily (King, 1994: 33).

3.9.9 Disadvantages of the Qualitative Research Interview Method

Developing an interview guide, carrying out interviews and analysing transcripts are all highly time-consuming activities for the researcher. Qualitative research interviews are also very tiring to conduct, as they need a lot of concentration from the interviewer. Occasionally the interviewer will experience difficult interviewees - those that are defensive, hostile, unwilling or unable to focus on the research topic (King, 1994: 34).

3.10 Research Instruments

This chapter will now focus on two qualitative research instruments, the interview schedule and the questionnaire, that were used to collect data. First, the questionnaire will be discussed.

3.10.1 The Questionnaire

The questionnaire is the most widely used technique for obtaining information from participants. A questionnaire is relatively economical, has standardised questions, can ensure anonymity, and questions can be written for specific purposes. Questionnaires can be made up of statements or questions but in all cases the respondent is responding to written material. The researcher used a questionnaire that contained questions instead of statements. The objective was to obtain background information on Project Literacy. The questionnaire was the very first instrument used by the researcher to gather data for this study.

The first step in designing a questionnaire is to provide a justification for the use of a questionnaire (McMillan & Schumacher, 1993: 239). The second step is to define the objectives that the information will achieve. The objectives are based on the research questions. The third step is the writing of the questions and statements. It is best to write questions by objective and to keep in mind the way the results will be analysed once the data has been collected. Writing the questionnaire is the fourth step. The following are useful guidelines suggested by Babie (1989) for writing effective questions:

- ☐ make questions very clear;
- ☐ avoid double-barrelled questions ie. limit questions to a single idea;
- ☐ ask questions that the respondent can answer;
- ☐ ask relevant questions and;
- ☐ avoid leading or biased questions (Macmillian & Schumacher, 1993: 239).

Once the questionnaire has been written and formatted, the final step is to pre-test it. It is recommended that one should use subjects and procedures similar to those that will be used in the study. The pre-test will allow the researcher to see if the length is appropriate, if instructions are clear etc. McMillan & Schumacher (1993) contend that the pre-test can serve as a measure of reliability as well as give an indication of the variability in responses.

Below follows an example of the questionnaire used in the study.

SAMPLE OF QUESTIONNAIRE

1. How would you define a sustainable NGO?
2. Do you think Project Literacy is a sustainable NGO?
3. Who makes up the management team?
4. What management styles do you employ?
5. Why have you chosen this particular style?
6. In what way does your management style impact on the sustainability of your NGO?
7. Describe the context/environment in which you are presently operating.

8. What effect, if any, has this context/environment had on your organisation?
9. Have you had to change your management style? Please state YES or NO and then provide reasons for your answer.
10. If your answer is YES, in what way have you changed your approach?
11. Do you think that the changes you have made, have been for the better? (YES or NO). What do you base your answer on?
12. What advice would you give to other NGOs managers that are involved in work similar to yours?
13. Who are your main donors?
14. How long have you been funded by them?
15. Has your relationship with them changed? If YES/NO. Explain.
16. If your answer to no.14 was YES, say what major changes have occurred?
17. What have you done to deal with these changes?
18. Do you think your organisation is financially viable? Why?
19. To what do you ascribe your financial viability?
20. What advice, if any, can you give to other ABE NGOs who are trying to achieve financial sustainability?

The questionnaire and interviews complemented each other. (A completed questionnaire has been included as Appendix A).

3.10.2 The Interview Schedule

McMillan & Schumacher assert that the steps for preparing an interview are similar to preparing a questionnaire - justification, setting objectives, writing questions, formatting and pre-testing (1993, p250). The difference is that there is direct interaction between individuals. The interview technique is more flexible and adaptable. It can be used with different questions and different people. Responses can be followed up, probed and clarified. Interviews result in a much higher response rate than questionnaires (McMillan & Schumacher, 1993: 250).

The principal disadvantage of the interview is its potential for subjectivity and bias. It is also more time and energy consuming. To counter the disadvantages of interviewing, the interviewer should be thought of as a neutral medium through which information is exchanged. If this is done then the reliability of the interview data will be confirmed. The interviewer's presence should not affect the responses. It should not matter who the interviewer is, any number of interviewers should be able to obtain the same results. The point is, in this study every effort was made not to lead or force the participants to respond in a particular way. This relates to the issue of reliability. Respondents can also be given the opportunity to check the interviewer's perceptions (McMillan & Schumacher, 1993: 251).

The researcher should begin by constructing an interview schedule that lists all the questions that will be asked, giving room to write answers. The questions are related directly to the objectives of the study. The questions can either be structured, semi-structured or unstructured. Structured questions (limited response questions) are followed by a set of choices and the respondent selects the answer and follows a particular order (McMillan & Schumacher, 1993: 251). Semi-structured questions have no choices from which the respondent selects an answer. Rather, the question is phrased to allow for individual responses. These are open-ended questions, but specific in their intent (Macmillan & Schumacher, 1993: 251). Unstructured questions allow the interviewer great latitude in asking broad questions in whatever order seems appropriate (Macmillan & Schumacher, 1993: 252). It is however possible to use a combination of structured and semi-structured questions. This allows for a high degree of objectivity and uniformity, probing and clarity (Macmillan & Schumacher, 1993: 252). It is advisable to pre-test the questions to check for bias in the procedures, in the interviewer and in the questions. During the pre-test the procedures should be identical to those that will be implemented in the study. Leading questions should be rephrased or removed during the pre-test. The researcher favoured unstructured and open-ended questions, and she gave respondents great latitude in their responses.

All participants except for one gave permission for their names to be used in this research report.

3.11 Phases of the Research

The researcher began conducting this research report in May 1997 and it was completed in October 1998. The process of researching and writing was a huge challenge. The research was conducted in about seven phases.

▪ Phase One

Conceptualised the study

Examined the viability of the study

Held discussions with NLC for model of sustainable NGO

Approached Project Literacy to ask permission to use the organisation as a case

□ Phase Two

Extensively reviewed relevant literature

Wrote up findings based on literature review

Held discussions with colleagues and supervisor

Wrote proposal

Continued to conceptualise the topic

□ Phase Three

Designed questionnaire

Issued five questionnaires to the management staff directly involved in the restructuring

Received three

Analysed data

□ Phase Four

Designed and planned first set of interviews

Conducted first group interview with the management staff directly involved in the restructuring

Transcribed Interviews

Analysed interviews

□ **Phase Five**

Wrote findings

Held more discussions with colleagues and with supervisor

Reviewed more literature

Updated initial write-up of literature review findings

Designed individual interviews with the following people:

Mr. Andrew Miller, the CEO;

Mr. Justice Johan Kriegler, a trustee involved in the restructuring;

Mrs. Jenny Nesor, the founder and director of Project Literacy until 1995;

Dr Rose Morris, a trustee who was involved in the restructuring process and who had taken on management functions in the organisation at certain times;

Mrs. Beverly Van Zyl, the current Financial Manager;

Mrs. Regina Mokgokong, the Director: Business Development and

Mr. Micheal Westcott, the Materials Developer.

These staff members were selected mainly because they were directly involved in the restructuring process and were thus knowledgeable about it.

Transcribed interviews

Analysed interviews

Continued writing up the findings

□ **Phase Six**

Conducted follow-up interviews (in person and telephonically) with Mr. Andrew Miller,

Mrs. Jenny Nesor, Mrs. Van Zyl

Transcribed interviews

Analysed interviews

Continued writing up the findings

Completed first draft

□ Phase Seven

Provided Mr. Miller and Mrs. Naser with copies of the first draft for comments

Comments were considered and incorporated

Last set of interviews with anonymous staff and ex-staff. These people were selected because they had been employed at Project Literacy before the restructuring. Thus, they were there before, during and after the restructuring. As such, they could offer valuable insights into the process.

Transcribed interviews

Analysed interviews

(In total the researcher conducted approximately fifteen interviews.)

Reworked first, second and third draft

Selected relevant questionnaire and interview transcript for inclusion as appendices

3.12 Conclusion

In summary this chapter began with a description of the researcher's own philosophical beliefs and the point was made that all adult educators should be able to consider and articulate their own philosophy. The reason for this is that philosophy informs practice. The next point that was made is that the research design of the research report follows from the researcher's philosophy about education and how knowledge is acquired. As a result of the researcher's philosophy the research was approached qualitatively. The case study technique was selected because of its capacity to explore social processes as they unfold in organisations. The case study allows for a contextual and generally longitudinal analysis of the various actions and meanings which take place and which are constructed within organisations. The point was made that case studies have an important function in *generating* hypotheses and *building* theory. The chapter then explored the qualitative research methods that were used in the study. The principal method that was used to collect data is the qualitative research interview. This chapter discussed the different

kinds of interviews and the kind of questions that are congruent with each kind. It was stated that a combination of semi-structured, unstructured and focussed interviews was used in the study as these are most congruent with the qualitative approach. Research instruments which are compatible with qualitative studies and which were used in this study were discussed. With reference to generalisation, the point was made that generalisation will be based on the existence of particular processes, which may influence behaviours and actions in this and other organisations. The value of specifying processes rather than variables is seen in situations where there is rapid change. In generalising from the study, using existing literature to assess the extent of generalisable findings is important. The aim of writing with a clear conceptual framework rather than a narrative will also help to relate findings and theory to the literature and to aid generalisation.

CHAPTER FOUR: RESEARCH FINDINGS

THE RESTRUCTURING PROCESS AT PROJECT LITERACY

4.1 Aims of the Chapter

The aim of this chapter is to present the findings of the research. The findings are based on the extensive review of the organisation's documents such as *minutes of meetings*, *annual reports* and *independent evaluations*. The findings are also based on data gathered through a questionnaire and several oral interviews. This chapter will also consider issues of validity as it pertains to these findings.

4.2 Outline of the Chapter

The findings will be presented thematically. The first part of the chapter provides insight into how the data was analysed. This is followed by a history of Project Literacy. Thirdly, the researcher will discuss the people involved in the restructuring process so as to determine what their roles were. Organograms are included to illustrate the strategic changes made in the organisation's structure. Fourthly, the author will present data on the restructuring process.

4.3 History of the Organisation

What follows is a brief history of Project Literacy. The rationale for its inclusion is not only to provide the background of this organisation, but also to track its sustainability. The idea to form what was initially known as *Ikageng Tshwane Literacy Association* (later Project Literacy) was conceived by Jenny Naser and her colleague in the Anglican Church, Sam Mothebe, in 1973. Both Naser and Mothebe were actively involved in the outreach programme of the Church for the Province of South Africa. As a result of Naser's involvement in the South African Council of Churches (SACC), the Black Sash and other anti-apartheid groups she was acutely aware of the injustices of apartheid. She

says, 'I was particularly moved by the apartheid governments' determination to deny black people of educational facilities' (Neser, 1998: Interview).

As a teacher, she was approached by labourers and domestic workers to provide basic literacy for them. Neser's opinion was that the church's outreach programme could be harnessed or extended to make a really worthwhile contribution in the area of adult literacy. After discussions with her colleagues in the Communist Party of South Africa (CPSA), it was decided this would be an ideal opportunity to provide educational services to the black community in the area. Research needed to be done, and those who were to benefit from the programme needed to be consulted.

Neser began by conducting a door to door survey. The survey was targeted at domestic workers in the Pretoria area, specifically Brooklyn, Waterkloof. It was through the survey that she discovered the high illiteracy rate amongst black workers. (Her findings from the survey showed that 80% of the domestic workers she spoke to could neither read nor write their own names). There were no basic education facilities in the area in which black adults could participate.

Neser and Mothebe called a meeting at a local church in Brooklyn, Waterkloof. It was attended by approximately one hundred people. At that time the two founders had no sponsorship. They were reliant on contributions from the domestic workers and their own income. The school was an informal community project staffed by mostly white voluntary teachers who lived in the area. The African mother tongue teachers were drawn from the domestic workers in the area. They were trained with money raised from the community.

The first adult night school was started at St. Francis Church in Waterkloof in April 1973. It operated four nights a week for two hours a night. Two hundred students were enrolled but there was always an enormous waiting list. Within a year three other schools had been opened in Lynnwood, Irene and Queenswood. By the early 1990s Project Literacy managed nine schools in the following areas: in Johannesburg (Berea, Birdhaven and Bryanston); in Pretoria (Brooklyn, Queenswood and Lynnwood); Irene in

Verwoerdburg and in Middleburg (Cape). These night schools/adult education centres accounted, to a large degree, for the future success of the organisation. Part of the reason for this is that learners at these centres agreed to be 'guinea pigs' in 'living laboratories' where materials developed by Project Literacy, were tested on the learners and were modified to suit their needs.

At this stage the development of materials was minimal as no money was available for this purpose. The only certification process that was available at the time, and that was accepted by employers, was that offered by the Department of Education and Training (DET).

After Nesor and Mothebe had established the first four schools Mothebe left for Bophuthatswana. This created difficulties for Nesor as she had to supervise four schools on her own. As the founder and director of Ikageng Tshwane Literacy Association, Nesor bore the most responsibility for the management of the organisation. After the formation of the Trust and the registration of the Section 21 Company in October 1986, the Board of Directors and Trustees began to share the burden of the management of the organisation.

The schools were housed at the Roman Catholic, Presbyterian and Anglican Churches, thus this was an inter-dominational community effort. One could also argue that the close associations with the churches contributed to Project Literacy's sustainability in the early years. Until 1983, Ikageng Tshwane Literacy Association was voluntary and operated on a budget of four thousand rand a year, still without any outside funding.

When the schools first opened they began by offering only African mother-tongue instruction. Gradually English and Afrikaans were added. Later, learners were offered the full range of school subjects up to standard eight and later matric.

Nesor was faced with a variety of difficulties, particularly those created by apartheid. The schools operated by Nesor were 'illegal' as they violated the Group Areas Act. She said,

we never stopped having problems with the police because we were 'illegal'. We were not allowed to teach black people in a 'white' area. They used to wait for us at night and then drive us around in the 'Black Mariah' (a huge police van) as soon as the curfew began. They would take us to the police station and we would then spend the night there.... They did not actually charge us or put us in cells, but they would keep us in the waiting place.

By keeping us at the police station for a few hours or overnight, the intention was to intimidate, threaten and harass us all. It was difficult for the teachers and the learners. The learners were additionally threatened, because if their employers found out they were attending night schools they could lose their jobs. Many employers were against their employees improving themselves, particularly if it inconvenienced them (the employers) (Neser, 21.4.1998: Interview).

The harassment continued for ages until Neser was able to reach an agreement with the central police station in Pretoria.

As the success of the Ikageng schools grew, the more learners enrolled. Many came from as far away as twenty kilometers. Transportation was a serious problem for the organisation, worsened by the fact that many learners travelled at night to get to school.

Mike Meyer, a Pretoria lawyer, whose gardener attended one of Neser's schools, was so impressed by his gardener's progress that he decided to find out more about Ikageng Tshwane Literacy Association. Amazed by the fact that the project was being run on a voluntary basis, Meyer helped Neser form a Trust Fund in 1986 so that she could raise money in order to consolidate and develop the project. Neser set out to find suitable trustees and in consultation with them, the name of the organisation was changed to Project Literacy. The individual schools (AECs) were still to be known as Ikageng schools.

After the Group Areas Act and the various pass laws were removed, Ikageng Tshwane operated legally and was registered as an official ABET centre with the Department of Education and Training. It is currently operated as a non-governmental organisation with a Trust and Section 21 Company structures (Section 21 of the Companies Act makes provision for a company to be registered as a charitable company that is not for profit. It

has a Board of Directors, a Managing Director and a Chairman of the Board. Its annual financial statements are filed with the Director of Fundraising. Thus, it runs like a business in all respects). Naser approached Dikgang Moseneke, Ruda Landman, Harold Parkindorf and many others to sit on the Board of Trustees. Mike Meyer became the first Chairman. Advocate Dikgang Moseneke is the current Chairman of the Board of Trustees.

Between 1973-1984 the first four schools had approximately 800 learners. More than 500 volunteers gave of their time to keep the schools running uninterruptedly for twelve years. Naser was the overall convenor and manager but the Sisters of the Community of the Resurrection in Irene ran the school with Mr. Jack Legodi. Lynnwood school had several volunteer principals. The Presbyterian Church considered it part of its outreach programme. The Catholic Church offered its premises at the Loreto Convent and a Mr. Molebale was the principal of the school from time to time.

As mentioned above, during this time (1973-1984) the Tshwane Ikageng Literacy Association was illegal. 'Our existence was threatened and we were sporadically harassed. It was difficult to get syllabi and the required help from the DET', says Naser. She adds, 'I forged an undercover relationship with the DET where they provided us illegally, with the necessary documentation' (Naser, 1998: Additions to Interview Transcripts). The Ikageng learners had to write the DET exams at a registered AEC. The DET allowed Naser to use schools in Saulsville in Atteridgeville and later other schools.

Naser argues that one of the main problems during the above period was understaffing as there was no money to employ additional staff. Hence, Naser coordinated and managed the entire organisation. She says, 'no one would or could give that much time, unpaid, to organise the project' (Naser, 1998: Additions to Interview Transcripts). Other problems included the use of sometimes unreliable volunteer teachers, the illegality, transport and the lack of funds. About the latter Naser adds, 'I did not think of setting up a fundraising person, I was too busy organising delivery'. A final problem was the inadequate accommodation and facilities. Church buildings and barns had been used as well as makeshift tables and chairs. These were inadequate to accommodate the growing numbers of learners.

A turning point in the history of Tshwane Ikageng Literacy Association was when I persuaded Hamilton, principal of Waterkloof House Preparatory School (WHPS), a Pretoria private school, to allow the project's administrative office and its biggest school at St Francis Church to share its facilities. This enabled the project to become more professional in the eyes of the donors. It also provided a focus for Project Literacy's future use of other schools. Eventually Project Literacy was allowed to use government schools (Neser, 1998: Additions to Interview Transcript).

FIGURE 2: PICTURES OF THE TRUSTEES AND DIRECTORS FOR 1998



Regina Mokgokong
Director



Beverley van Zyl
Director



Andrew Miller
CEO and Director



Gert de Beer
Trustee & Director



Madala Mphanlele
Trustee



Fuda Landman
Trustee



Jane Raphaely
Trustee



Dikgang Moseneke
Chairman of the Trustees

FIGURE 3: PICTURES OF THE TRUSTEES AND DIRECTORS FOR
1998



Jenny Naser
Trustee



Johann Kriegler
Trustee



Doreen Morris
Trustee



Fikele Bam
Trustee



Truica Prake
Trustee



Fritz Kok
Trustee



Craig Bond
Trustee



Patrick Hamilton
Trustee



Kgomoiso Moroka
Trustee



Grant Gelink
Trustee & Director



Sybil Matlou
Trustee & Director



Rose Morris
Trustee & Director

FIGURE 4: PICTURES OF TRUSTEES AND DIRECTORS FOR 1998



Mike Joubert
Trustee



Margaret Ndema
Trustee



David Marshall
Trustee



Shirley Moulder
Trustee



Dieter Wolff
Director



Neven Hendricks
Director and Chairman
of the Board of Directors



Mphelo Ramutloa
Trustee

Trustees absent from this
picture gallery include:

Deliswe Dlodlu,
Anton Gouverneur,
Simon Kutumela and
Faith Msimang

Neser was the founder and Director of the Ikageng Tshwane Literacy Association and then later Project Literacy until 1995. Before the Project Literacy Trust (Fund) was founded and before Neser had raised the 'first' money (R30 000) from the Anglo American Chairman's Fund and R260 000 from the United States Agency for International Development (USAID) in 1984, the entire project was run by Neser and a secretary in conjunction with the four principals of the four AECs operating then. There was no clear management structure and management operated on an *ad hoc* basis. Neser states,

I never wanted to carry the entire burden of the project as it was far too onerous. However, essential help in administration and management could only be acquired if the Project had funds for salaries. No one could be found to work the long hours without remuneration (Neser, August 1998: Additions to Interview Transcripts).

Thus, until 1986 the management of the organisation was largely a 'one man show' (Neser, 16.7.1998: Telephonic Interview). With the aid of a secretary and Mrs. Connie Maake, who supervised the African Languages Department, Neser would conduct meetings with staff and make decisions in consultation with them. The first person to be appointed in 1984 was a fund raiser, a Mrs. Render. Her salary was paid with the first monies raised. A human resources manager and a person who would oversee the various adult education centres were also employed. This organisational structure was blamed for the loss of focus, lax command and control structures. Funds raised later were used to employ a full time principal at Ikageng WHPS (previously known as St. Francis Ikageng). According to Neser this meant,

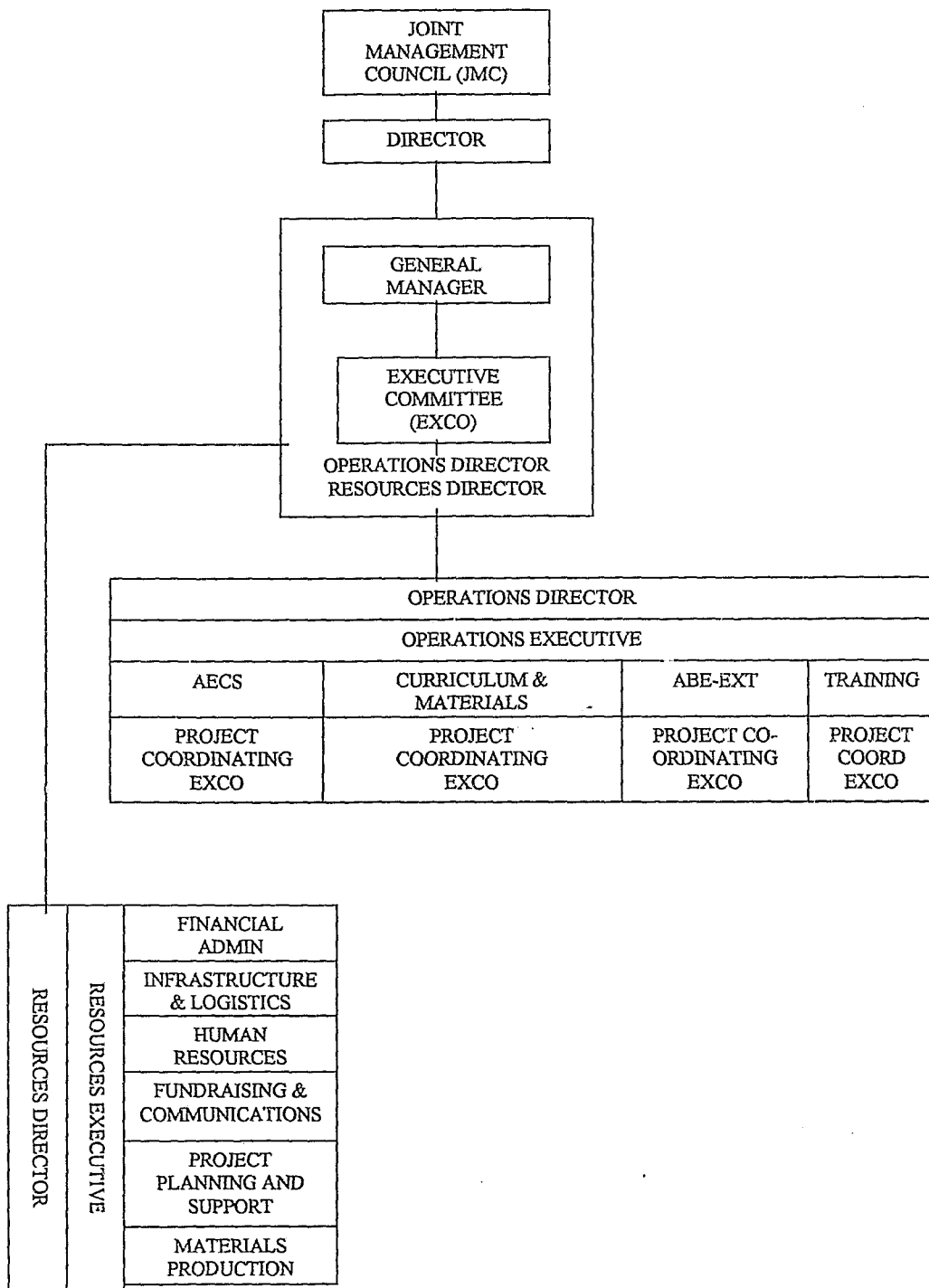
I could move out of heading a school and concentrate on management. I could try to regain my strength. Thirteen years of teaching had taken its toll and I wished to cut down on my involvement (Neser, August 1998: Additions to Interview Transcripts).

Thus in 1993 the organisation introduced a new internal structure (see figure 5). This structure is also referred to as a Matrix structure which would *inter alia* define roles and responsibilities, make the organisation more task-orientated and replace the command and control structures.

The structure depicted four areas of activity in the organisation. The first was policy making which would be the responsibility of the Board of Trustees and Directors as well as the Joint Management Council (JMC). The second area was policy recommendation and Executive ie. EXCO. Naser was appointed as the National Director and a General Manager was brought in to assist in the day to day running of the organisation and to oversee the financial management of the organisation. The third area of activity included support functions such as resources and financial management. The fourth area of activity was the operations department. However, this matrix structure had several weaknesses such as role confusion. Tension existed between the position of the National Director, the General Manager and the three trustees who at times assumed management roles.

After the resignation of the National Director in 1995, the internal structure of the organisation was revised (see figure 6). A Chief Executive Officer was appointed and three units were established, headed by directors. These were Finance and Administration, Business Development and Educational Services. The Business section headed by Mrs. Regina Mokgokong, became responsible for ABE Extension and the Training Department. Course development and the adult education centres came under the control of the Educational Services Director.

FIGURE 5. PROJECT LITERACY ORGANISATIONAL (MATRIX) STRUCTURE - 1993



**FIGURE 6. PROJECT LITERACY ORGANISATIONAL STRUCTURE
(REVISED) - 1995**

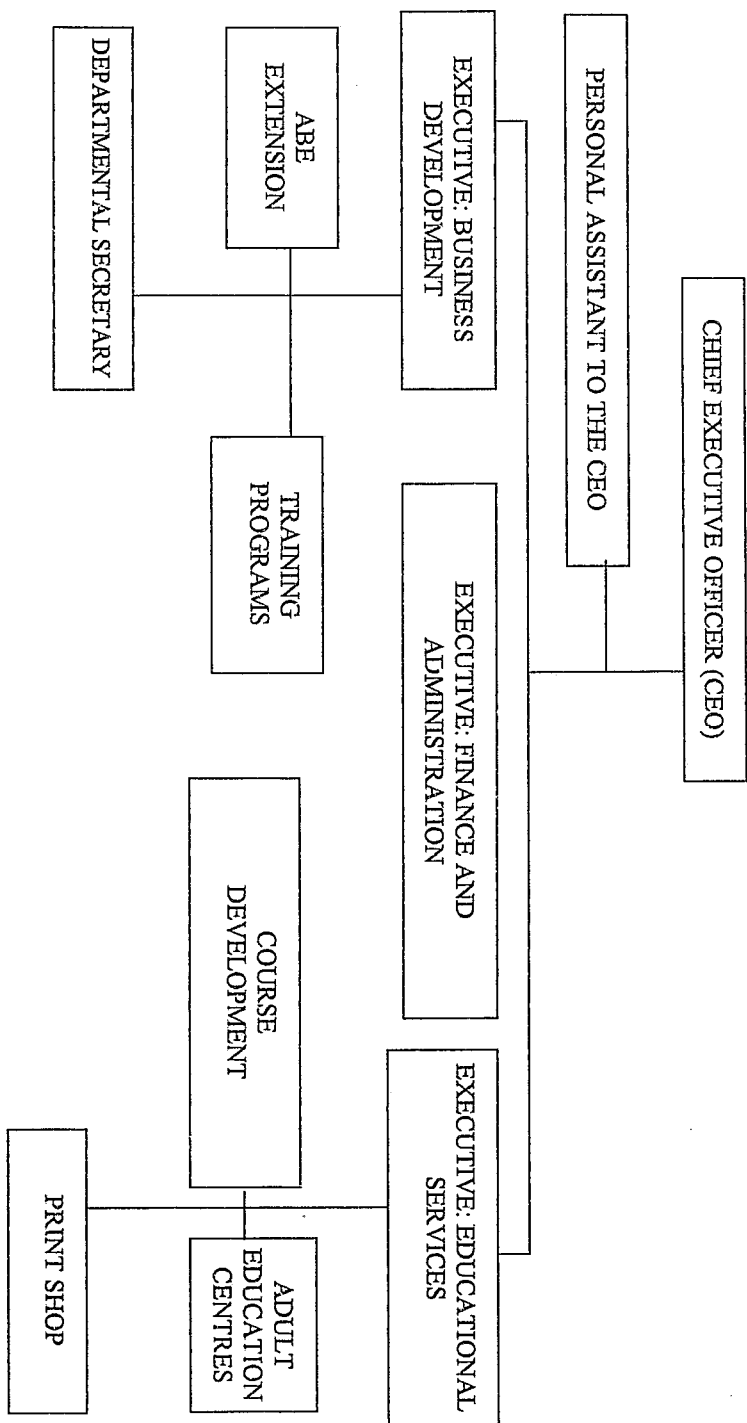
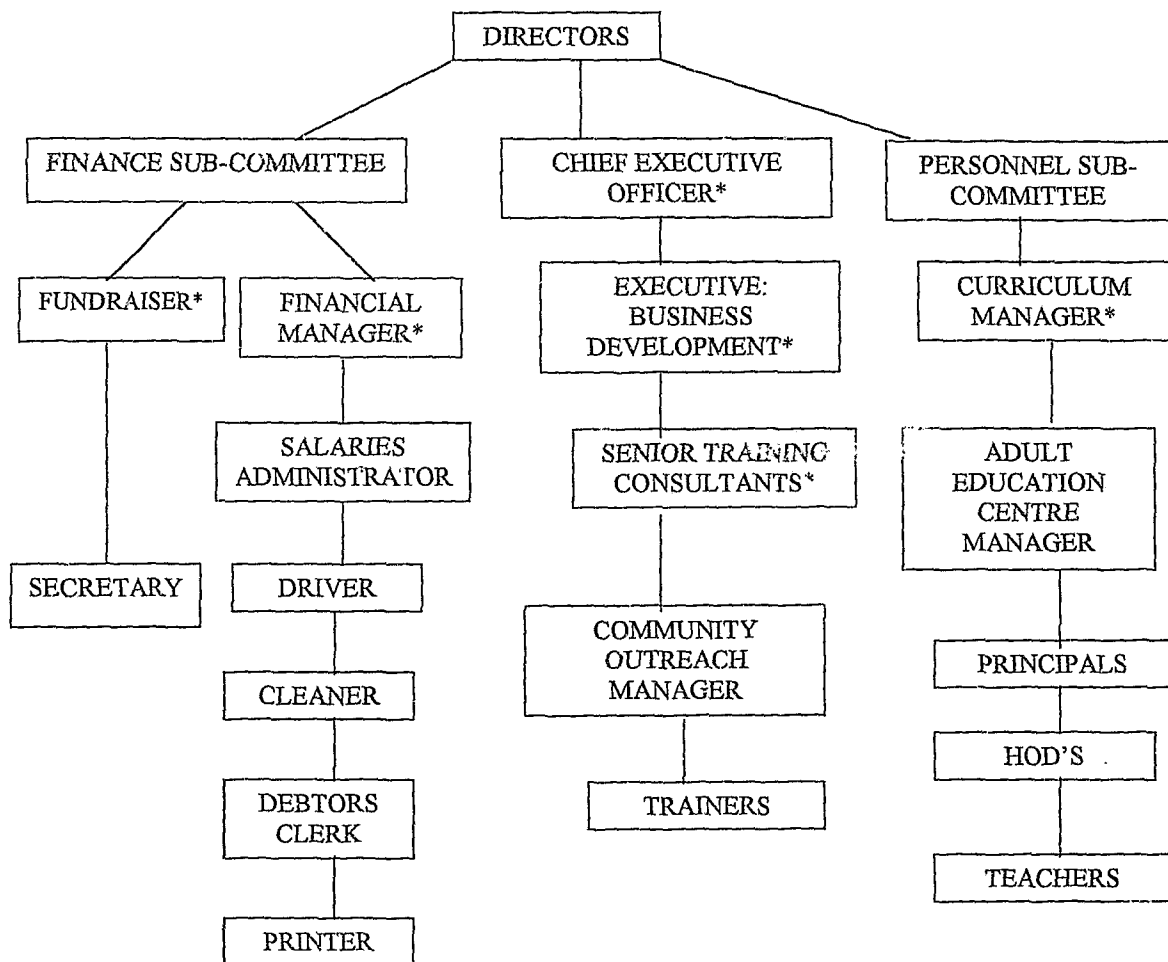


FIGURE 7. PROJECT LITERACY MANAGEMENT STRUCTURE - 1997



* MEMBERS OF EXCO

As the organisation grew larger and larger it attracted more donors, such as the Independent Development Trust (IDT), the European Union and USAID among others. A major breakthrough was the acquisition of approximately six million rands over three years in the early 1990s from the Joint Education Trust (JET). Nesper explains it thus,

The project grew exponentially. The more funds were raised, the more delivery was required. I committed myself to not letting down the donors or the learners. I was caught in a "catch 22" situation where the project had to deliver more and more so as to get the much needed funds. This increased delivery had to be met with too few staff. The pressure continued and led to the appointment of staff whose performance was not adequately monitored. I was literally running from pillar to post.

I, together with my funding staff, decided to visit the Urban Foundation to discuss a plan to get ongoing funding for at least three years. We felt that if this could be achieved, the project could develop properly as a business. The Joint Education Trust was persuaded to fund Project Literacy R6 million over three years. This funding changed the entire ball game for Project Literacy (Nesper, August 1998, Additions to Interview Transcripts).

Such funding for an ABE NGO at that stage was completely unheard of. Furthermore JET donated the building (worth R1,5 million rands) in which Project Literacy is currently housed. Later the organisation bought the land next door for approximately twenty six thousand rand.

An important factor that accounts partially for Project Literacy's sustainability is that it has always had a very good product to offer to adult learners. Since its early days, Project Literacy has been involved in developing mother-tongue materials and these were then tested on their learners in the adult education centres. The combination of these factors allowed Project Literacy to move into the forefront of developments in adult education.

Project Literacy also became involved in an adult education Project at Leeuwkop Prison in Pretoria. Materials produced and developed by Project Literacy were also tested and modified as it became necessary. Project Literacy also worked with various community-based organisations and provided a variety of adult basic education extension services. During 1994 and 1995 Project Literacy realised the idea of training for industry (Project Literacy, Annual Report, 1994).

FIGURE 8. LEARNERS ATTENDING PROJECT LITERACY ADULT EDUCATION CENTRES ARE MADE UP OF MIXED STUDENT BODIES, MAINLY INDUSTRY WORKERS AND SECOND CHANCE MATRICULANTS. THESE PICTURES SHOW ADULT LEARNERS IN A VARIETY OF LEARNING SITUATIONS.

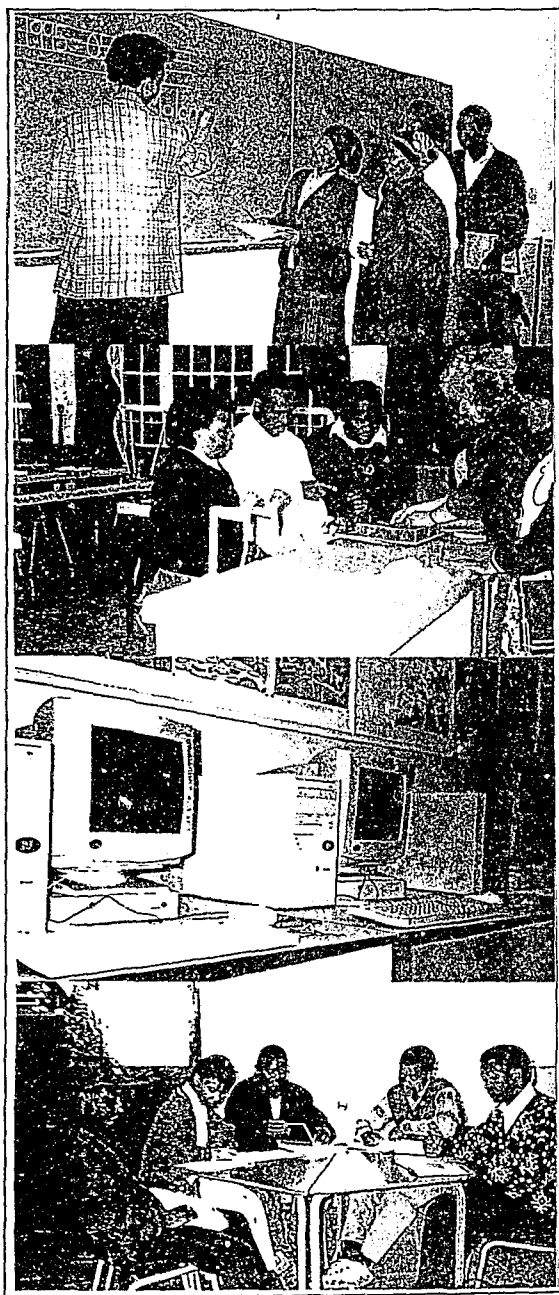


FIGURE 9. PICTURES SHOWING ADULT LEARNERS IN A VARIETY OF LEARNING SITUATIONS.

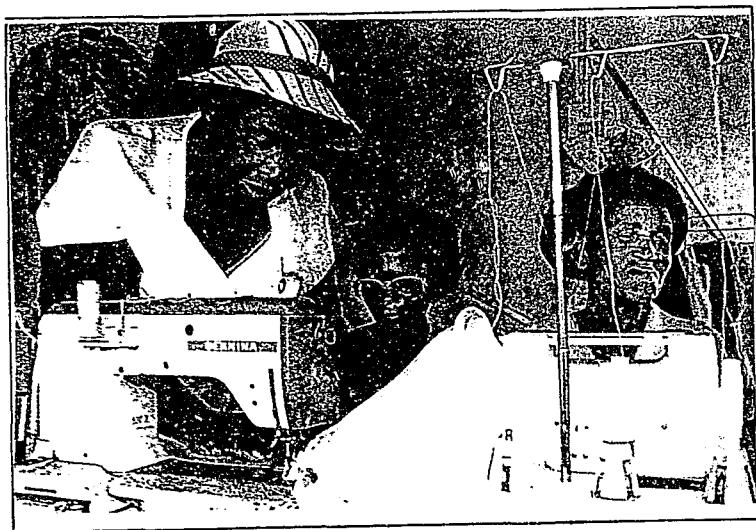
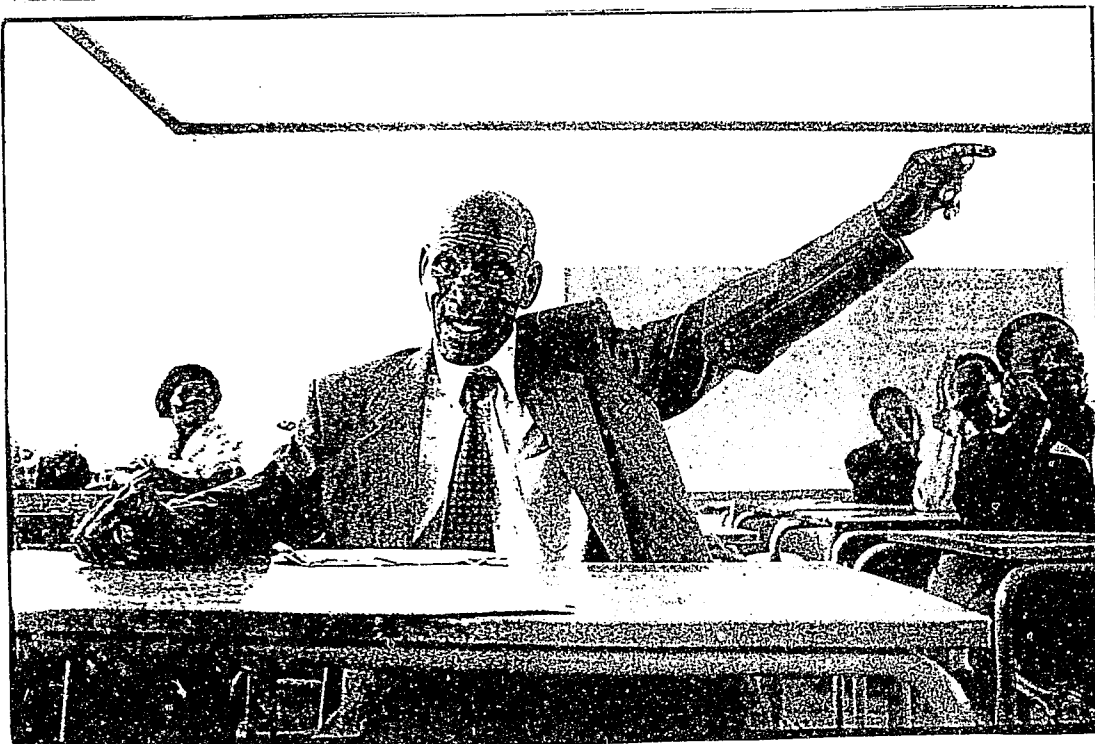


FIGURE. 10 NEVER TOO OLD TO LEARN



Nineteen ninety four to nineteen ninety six was a watershed period the history of the organisation. The election of a new government and the resultant changes in funding policy forced the organisation to restructure its activities. The organisation became 'leaner and meaner' as it became intensely more focussed in its area of work ie. making adults literate, and moving learners from Levels 1-4 (Executive Summary, Business Plan: 4). This was partly achieved by reducing the number of adult education centres from nine to three. Despite the fact that almost half of its workforce was retrenched, productivity levels increased as the nature and outlook of the organisation was drastically altered. Participants identified commercialisation and the professionalisation of the organisation as among the major turning points of Project Literacy.

The changes in the management structure and in the ethos of the organisation were further turning points. Intense marketing and fundraising drives as well as the sale of training skills and products to industry were also seen as important developments in the organisation. The sale of Project Literacy's training skills to industry was a significant development particularly for an NGO and it certainly bolstered the organisation's ability to sustain itself in the future.

Nineteen ninety five saw the resignation of the founder and director of the organisation and the appointment of a new chief executive officer. Project Literacy and Kagiso Publishers formalised an agreement in which Kagiso Publishers publishes and distributes materials developed by Project Literacy. During this year the organisation realised its dream of branching out into industry. In 1996, Project Literacy was involved in the development of new materials which meet the needs of the Independent Examinations Board (IEB) and the new National Qualifications Framework (NQF).

In 1997 the organisation won three tenders from the Northern Cape, Northern Province and the Mpumalanga provincial education departments to provide adult basic education and literacy in various subjects and various levels.

FIGURE 11. TIMELINE OF MAJOR EVENTS IN THE HISTORY OF PROJECT LITERACY

1973	Ikageng Tshwane Literacy Association is formed First school is opened at St. Francis Church in Waterkloof
1983-1984	Registered with DET Formation of the Trust
1983	Ikageng Tshwane Literacy Association is renamed Project Literacy
1990's	Writing on the wall – The dawn of new political changes Drafting of the RDP
1992	Ed French conducts an independent evaluation which alerted Project Literacy to management difficulties
1993	First major 'Think Tank' – Resolution to take the organisation in a new direction Tensions between the founder and some management staff and trustees begin to surface
1994	The first democratic election ushers in a new political milieu with serious implications for funding Major sponsors drop Project Literacy in accordance with new bilateral aid agreements Resignation of Founder-Director Appointment of a 'new generation' leader Realisation of dream to sell services and products to industry Lucrative agreement with Kagiso Publishers
1997	Acquisition of three provincial government tenders to provide ABE

Advocate Dikgang Moseneke commended Jenny Naser for having 'led Project Literacy from being a small community-based organisation to the largest single NGO in the sector' (Chairman's Report to be tabled at the Annual General Meeting of Project Literacy Trust Fund, 30 May 1996). Unlike other NGOs, Project Literacy has adapted extraordinarily well to changes in the funding framework in this country. Due to a culture of reflection, introspection and change they have vastly improved the effectiveness of the organisation. In total, by December 1995, Project Literacy's programmes have reached more than 100 000 learners nation-wide (Executive Summary, Business Plan: 2).

What emerges clearly from this brief history of Project Literacy is that the roots of their sustainability lie in their early beginnings and were built upon in later years. The organisation was headed by a visionary who was completely committed to making the organisation sustainable. The prominent individuals that she was able to draw into the organisation reinforced its sustainability. The contacts and networks that were created made it possible to survive the heyday of apartheid and opened up some new avenues for the future. One can argue that these contacts were necessary in the past and they continue to be necessary in the present too.

This account of the history of the organisation has also showed that Project Literacy developed an incredibly good product over the years by continually improving the methods and materials and testing it on their adult learners in their 'living laboratories'. As a result of this incredibly good product, Project Literacy was able to sell its services to government and industry at commercial rates, yet continue to provide services to community based organisations. For as long as Project Literacy continues to develop and improve its product chances of its sustainability will be increased. As a result of the changes the organisation has made, it has grown from a small community-based organisation to one that is recognised nationally and that operates efficiently and professionally.

4.4 The Management Team and Staff

Project Literacy currently employs 48 full-time people in the Central office (in Pretoria), 200 part-time teaching staff who are based in the various Adult Education Centres, and 60 contract workers (Miller, 16.7.1998: Telephonic Interview). The words "the management team" will be used frequently and will refer to the following people:

- Andrew Miller - the Chief Executive Officer (CEO);
- Regina Mokgokong - the Director of Business Development;
- Beverley van Zyl - the Financial Manager and a Director;
- Dolly Mphuti - who is in charge of the organisation's community outreach programme;
- Yvonne Eskell-Klagbrun - the Fundraising Manager
- Michael Westcott - who is Project Literacy's Curriculum Manager, and finally
- Barbara Basel, Coordinator of the AECs.

By "management team" the researcher means those people, including the CEO who are involved in the day to day running of the organisation. The management team is distinct from the staff. The Board of Directors meets monthly and as such, they are intimately involved in the day to day running of the organisation. However, they do allow the management team to make many vital decisions about the daily running of the organisation. The Trustees meet three times a year and although their responsibility is a more 'hands-off' one, they play a significant role in the organisation. Both the Directors and the Trustees take responsibility for the Trust and for the company. In the case of Project Literacy the Trustees and Directors influence and steer policy. Furthermore, as a result of their prominence in the community and their success in their respective fields, they have vast contacts and they are able to attract the attention of donors. This also contributed to the sustainability of the organisation.

FIGURE 12. PICTURES OF THE PROJECT LITERACY STAFF



Left to right: Andrew Miller: CEO, Regina Mokgokong: Executive: Business Development, Beverly van Zyl: Financial Manager, Yvonne Eskell-Klagsbrun: Communications and Fundraising Manager and Michael Westcott: Manager: Curriculum Development

4.5 THE RESTRUCTURING PROCESS

4.5.1 Who was involved in this process?

What follows now is a discussion of the restructuring process. This process is the core focus of this research. The restructuring process began in 1993 while the founder and director, Mrs. Jenny Nesor, was still in the organisation. The Board of Trustees and Andrew Miller, the CEO of the organisation, continued the restructuring process. The success of the restructuring process rested not only on the shoulders of the CEO, but also on the management team, as well as the staff. Thus there was a sense of a joint responsibility for the success of the process.

4.5.2 Why was Restructuring Necessary?

As mentioned in chapter two, since 1995 donor funding for NGOs has been greatly reduced because donors are now contributing to the RDP. Restructuring was necessitated mainly by the fact that in 1995 the USAID and the European Union (EU) informed Project Literacy that they would be withdrawing funding from the organisation due to bilateral aid agreements. The effects of bilateral aid agreements also made restructuring imperative. Towards the end of 1994 it became obvious that Project Literacy could no longer sustain the kind of expenditure that it had in the past. Staff costs, especially at the Adult Education Centres, were becoming too expensive and the cost of maintaining a large infrastructure at the Central Office was becoming restrictive.

At the same time Nesor, the founder and director of the organisation, was suffering from ill-health. In addition, Miller suggests that her management style was viewed by senior staff and some members of the Board of Trustees as being inappropriate (Miller, 1.10.1997: Interview). She was also accused of making unilateral decisions and failing to follow the correct channels of communication. It was also felt that management failed to ensure that the decisions of the trustees and directors were implemented (Minutes of Think Tank, 1995).

An evaluation commissioned by JET and Project Literacy identified other weaknesses that made restructuring imperative. The weaknesses were role confusion as a result of lack of clarity of mandates and authority; reporting structures were complicated; a lack of accountability as well as a lack of supervisory and management experience (Report by a Sub-Committee on Inquiries and Investigations in terms of a mandate given by the Trustees of Project Literacy, 13 March 1995). In 1993 the Chairperson of the Joint Management Council stated that,

in the past few years the organisation grew alarmingly and this growth was outstripping management's capacity and it brought physical crowding. Both factors were becoming an obstacle to effective and efficient delivery (Project Literacy, Annual Report, 1993: 5).

4.5.3 Was the Decision to Restructure a Unanimous One?

The question of whether or not the decision to restructure was agreed upon unanimously, is important, for it determines the extent to which the process can achieve its goals. The decision to restructure the organisation was not a unanimous one. Dissension came mainly from friends of the previous director, Jenny Nesar. Loyalty to Nesar was apparently the main reason for dissension (Miller, 1.10.1997: Interview). The Board of Trustees consisted of 27 members and of those 7 were opposed to restructuring. After some discussion 'they relented as they realised that the organisation's interests were paramount' (Miller, 1.10.1997: Interview). Needless to say this was a difficult period for Nesar. Miller describes what Nesar must have felt as a 'teenage child kicking the parent in the teeth'. (Miller, 1. 10. 1997: Interview).

Downes Murray, the chairman of Downes Murray International, calls what Project Literacy went through the 'Founder Stranglehold' (Murray, 1997: 2). This phenomenon is also known as the 'founders syndrome'. Murray explains it thus: many NGOs are created by a person(s) who nurtures the organisation so that it starts out small but grows to an extent that it employs a large staff with a sizable budget amounting to thousands even millions of rands.

With this growth comes the need for sound management systems and practices ... the need for more democratic rather than

autocratic style of leadership. But the founder(s) still sees the organisation as their personal "baby"... The attitude of, "that's the way we have always done things" prevails. There is no forward planning, no recognition of the need for internal change in a rapidly changing environment, and worst of all there is no succession planning or development of future management. Often the result is that the founder is forced out of office. Usually there is a 'palace revolution' where staff and or Board members finally grasp the nettle and confront the founder with an ultimatum - 'hand over power or resign'. This often results in the resignation of the founder who, unable to accept change, leaves in a cloud of bitter recriminations (Murray, 1997: 2).

Thus a management crisis, caused partially by 'the founder stranglehold' was the first issue that made restructuring necessary. There was a 'palace revolution' when the Trustees and senior members demanded that the founder-director step down due to outdated management practices among others.

However, Nesar has a different view of why she was forced to step down.

After a full time principal was appointed at WHPS, I could move out of heading a school and concentrate on management. I could try to regain my strength. Thirteen years of teaching had taken its toll and I wished to cut down on my involvement. However, what happened next, resulted in the opposite.

The project grew so fast and management never caught up. However, I was determined to make the organisation sustainable. The pressure continued.

Various strategic planning sessions had been held. It was suggested that a General Manager (GM) be brought in to handle the day to day running of the organisation. I would concentrate on educational issues, fundraising and fulfil the role of a trustee. However, the appointment of a GM in 1994 did not help as there were tensions about his performance. The situation worsened when R250 000 was stolen by the financial manager who was directly responsible to the GM. The GM's performance, the management structure he was appointed to implement and his position in the organisation caused enormous tensions between the Director and the three trustees who had been asked to take on management roles from time to time in the organisation. Of course there was confusion of roles and poor performance in many areas. The GM had been brought in to organise this.

Nothing changed from the appointment of the GM and an already poor management situation with remarkable delivery, excellent partnerships and an embryonic business aspect were not being managed properly or

being maximised. Factions were created when the three trustees allied themselves with the then fundraiser, Andrew Miller, current CEO. I prevented real management issues from being tackled properly. The theft of R250 000 by the financial manager brought the matter to a head. I took over the management of the organisation. I brought in a top executive financial trouble shooter, Mr. Jim Wotherspoon. He was able to set up the necessary controls to stabilise the financial management of the organisation and then stayed on to advise the new CEO. When I saw my life's work going down the drain I became very dictatorial. I asked to resign within three months and for the organisation to be restructured.

An investigation was held in which carefully selected staff members were invited to discuss my performance. I was not allowed to know what was said about me. At a meeting of eighteen trustees, I was accused of being old fashioned and dictatorial. A resolution was taken to ban me from contacting anyone in the organisation for three months. I resigned and fought for two years to gain the withdrawal of the resolution and a public apology (August 1998: Additions to Interview Transcripts).

Neser also disputes the allegation that she was old fashioned and dictatorial. She argues that,

I led by example and inspiration. The appointment of Andrew Miller is a perfect example of the depth of the leadership that was allowed to develop while I was still in office. Andrew had been earmarked by myself and certain trustees as my successor. He had been running the organisation to a large degree while I was still in office. Furthermore, I did delegate. This enabled the organisation to develop very creative staff members who were experienced and able to take the organisation forward after my sudden departure. Staff members were continually given the opportunity to be creative and innovative and to put their ideas into practice with minimal interference from me. In fact, they were given carte blanche to develop and implement innovative experiments as long as they were well founded and thought through (August 1998, Additions to Interview Transcripts).

As evidence of the fact that she delegated responsibilities, Neser cites the following examples,

From the beginning of Andrew's employment, he was given carte blanche to run a successful (fundraising) department. Jenny Rabinowitz initiated the Computer-Aided Learning Experiment and was involved in the development of curricula and programmes. Theresa Noble was in charge of the Leeuwkop Prison Project. Each of the principals at the AECs in Pretoria, Johannesburg and Middleburg were responsible for the development and growth of the AECs. Finally, the trustees were afforded the opportunity to be involved in the management of the organisation,

particularly Shirley Moulder and Dr. Rose Morris (August 1998, Additions to Interview Transcripts).

As illustrated above, the reasons for Nesper's resignation are steeped in controversy and disagreement. However, as important as this issue might be, it falls out of the scope of this research report. What it highlights however, are the organisational dynamics that are involved.

As a result of the funding crisis and managerial difficulties, the management team and the Board of Trustees formed a Restructuring Committee, which included Mr. Justice Johan Kriegler and Advocate Dikgang Moseneke. The latter headed the Restructuring Committee. This committee consisted of some members of the Board, senior staff and two consultants who worked free of charge (Project Literacy Business Plan, 1996: 4). Their main objective was to develop a comprehensive plan that would make the organisation "leaner and meaner" ie. able to generate its own income and to become more cost-effective (Project Literacy Business Plan, 1996: 3).

Due to the issues that necessitated the restructuring process, the Restructuring Committee was forced to behave in a Type X manner. This means that a democratic and collegial style of management gave way to a more *dictatorial and directive* one. This is evident in suggestions that there was very little discussion or negotiation during the restructuring, or fact that Nesper was banned from the organisation for three months, or the statement uttered by one of the Committee members to Nesper that, 'if you were in the witness box, I would make minced meat of you' (Kriegler, 1998: Interview) This shows that management's approach was not collegial during the restructuring process. These statements reinforce Mason's concept of situation management, where leaders need to alter management styles as the situation demands. Kriegler and Miller have admitted that the restructuring process could have been handled differently.

The restructuring process caused a lot of hurt and discomfort to staff, particularly those who were retrenched. 'The situation became incredibly insecure and unstable. People

were also very demotivated. At times management behaved unprofessionally. At times issues were not dealt with, with sensitivity' (Anonymous, 16.9.1998: Interview).

As mentioned before, Gibson (1995) argues that as in the United States, South African voluntary organisations or NGOs are experiencing mounting pressures to respond to the changing dynamics in the flow of capital and resources for human service programmes.

With shifting priorities among major traditional donors, many PVO's are responding with innovative restructuring of their financing and operating procedures. Alternative and diversified income generating strategies as well as streamlined or collaborative organisational structures are key elements of survival within any environments of economic uncertainty (Gibson: 1995:2).

Part of the reason that Project Literacy continues to deliver its services in the face of closure of other NGOs lies in the fact that they have engaged in the 'survival strategies' that Gibson suggests. That is, they have restructured their operating procedures and they have begun to generate their own income. The point is that NGOs have to possess the ability to predict the future to some extent and then to structure their activities accordingly. They have to be flexible and be able to adapt to new situations.

4.5.4 What were the Aims of the Restructuring?

In short, the task of the Restructuring Committee was:

- ❑ to increase self-generated income by 20 % per annum in three years so as to become more self-sufficient;
- ❑ to professionalise presentations and work ethic;
- ❑ to forge partnerships with the state which would enable Project Literacy to partake in mass delivery;
- ❑ to streamline the staff complement through retrenchments, collapsing and or amalgamating certain functions eg. human resources and out-sourcing skills and
- ❑ to assist community-based organisations and raise funds for them (Minutes of Meeting of Project Literacy Trust Fund. CEO's Report, 30 May 1996).

These are very clear aims that the management and Trustees at Project Literacy set out to achieve with the restructuring process. The aims that they had set were also realistic and attainable. There was a clear commitment and a strong will to realise these aims. These aims became a reality and contributed directly to making the organisation more sustainable.

4.5.5 The Restructuring Process Itself

As mentioned in the literature review (chapter 2), the issue of funding and financial viability often accounts for NGO failure. Gibson argues that NGOs need to adopt two fundamental strategies, firstly to reduce the cost of doing business or providing a service, and *secondly, to recover these costs from either the customer or another source of income* (Gibson: 1995: p2). Vincent and Campbell (1990) have developed alternative financing models for NGOs based on two essential components:

- the creation of a capital reserve fund which can generate, through interest earned on investments, enough money to cover the core budget. However, local NGOs are generally restricted by donors to raising operating costs and often do not have reserve capital.
- the development of a regular source of income through income generating projects and the sale of services.

However, very few NGOs are currently prepared to adopt the second approach as this is considered too "commercial", and not within the traditional framework of non-profit organisations. However Gibson (1995: 9) contends that

community groups should begin to see themselves as development enterprises. Instead of being welfare and charitable associations, they need to see themselves as providing well-managed and cost-effective services and products at a reasonable price, by generating income through investments, and by local fundraising.

Project Literacy has adopted a more businesslike approach to its activities. For instance, they sell their training services to government education departments as well as to

industry. In 1996 Project Literacy generated 30% of its own income (Miller, 25.7.1997: Interview). The organisation aims to increase its income annually. One has to take into cognisance that when an organisation works with the poor it can perhaps never be 100% self financing; however, it is a worthy ideal to strive for. Project Literacy acknowledges that they will always be dependent on donor funds but this does not prevent them from striving to reduce that dependence. The researcher asserts that NGOs have an obligation to make their activities as cost-effective as possible and to reduce their dependence on donor funding.

Vincent and Campbell (1990) contend that the focus of development must move from the project to the organisation, with NGOs significantly increasing their own self-financing activities. Vincent and Campbell suggest that an NGO should begin by fundraising for small projects and, after approximately three years it, can launch an alternative strategy based on three components:

- giving priority to self-financing activities such as income generating projects, sale of services, and in-kind contributions from members;
- spending more effort in fundraising locally from the community and the government and
- negotiating long-term and flexible programme grants from its external donors.

As a result, over time the NGO succeeds in generating up to 50% of its income from its own local resources, thus reducing its dependence on external donors (Gibson, 1995: 9). Project Literacy seems to have adopted many of the recommendations put forward by Gibson (1995) and Vincent and Campbell (1990). They have placed the organisation on a sound business footing by applying strict business and managerial principles (Project Literacy Business Plan, 1996, 3).

The Restructuring Committee formulated a business plan that recommended major changes that changed the whole complexion of the organisation and the way in which the organisation operated (Miller: 27. 7. 1997: Interview). The committee decided that the

organisation should adopt the Shamrock Model of organisational design. This model encourages shrinking the numbers of permanent staff while increasing the numbers of part-time contract workers (Project Literacy Business Plan, 1996, 4). Staff numbers were reduced through retrenchment. It was mainly unproductive staff or those whose productivity was low, who were targeted for retrenchment. There were also many resignations. Positions that were vacated through resignations were not filled. Most of those who resigned were permanent staff which were reduced from 69 in January 1995 to 50 in January 1996. Part-time staff have in the same period been reduced from 251 to 163 (Miller, 2.7.1997: Interview).

Some functions of the Central office have been made redundant so that fewer people are needed to do more work. For instance, the CEO is no longer responsible merely for the day to day running of the organisation, but he is also responsible for fundraising, public relations and human resources. People have been employed on contract basis so as to reduce the salary bill (Project Literacy Business Plan, 1996, 5).

The size and scope of activities was also reduced. Nine Adult Education Centres were reduced to three. It was also decided to close the matric classes at two of the largest Adult Education Centres so as to concentrate on making adults literate, that is moving them from Level 1 to Level 4.

In 1995 Project Literacy entered into a business agreement with Kagiso Publishers, a nationally established publishing company. Kagiso Publishers produces Project Literacy's course materials and accompanying books (Project Literacy Business Plan, 1996, 4). The business partnership will ensure that over a few years Project Literacy will receive a return on the funding they have received for curriculum and materials development.

Project Literacy has also involved itself in a rigorous marketing campaign in which it sells its training services to industry and government education departments. This is an unusual thing for an NGO to do, but in these tumultuous times it has become imperative

for NGOs to market their products and sell them if they are serious about reducing their dependence on donors and thereby ensuring their own sustainability.

Partly as a result of their marketing campaigns they have recently won tenders from the Northern Province and the Mpumalanga provincial Education Departments to train trainers and facilitators for the Ithuteng (roughly means Educate Yourselves) Campaign, which aims to reduce the national illiteracy rate. The financial manager of the organisation provides five reasons for winning the tenders:

- ❑ Firstly, of those who tendered, Project Literacy was the biggest provider of adult basic education;
- ❑ secondly, they had the best capacity to deliver the services;
- ❑ thirdly the organisation has a very good knowledge and understanding of the tendering process;
- ❑ fourthly, they could deliver their services at the most cost-effective price to their clients and finally;
- ❑ it possesses the capacity to deliver on time. Project Literacy continues to do work with poor communities through its community outreach programmes.

In the Western Cape, government centres have placed orders for Project Literacy materials valued at about R1 000 000 (Project Literacy Annual Report, 1997).

4.5.6 The Results of the Process

The Financial Manager commented that one of the most important results of the restructuring process was that the organisation has 'tried to do more with less, cut employment costs, closed adult education centres and generated its own income' (Van Zyl, 1997: Questionnaire). Andrew Miller, the CEO, argued that the restructuring process changed the organisation for the better. He also added that 'the organisation has a high productivity rate, staff are personally responsible for the organisation's welfare as well as their own job security and salary package. They abide by the following ethos, 'more work - more income - more job security' (Miller, 1997: Questionnaire). One could

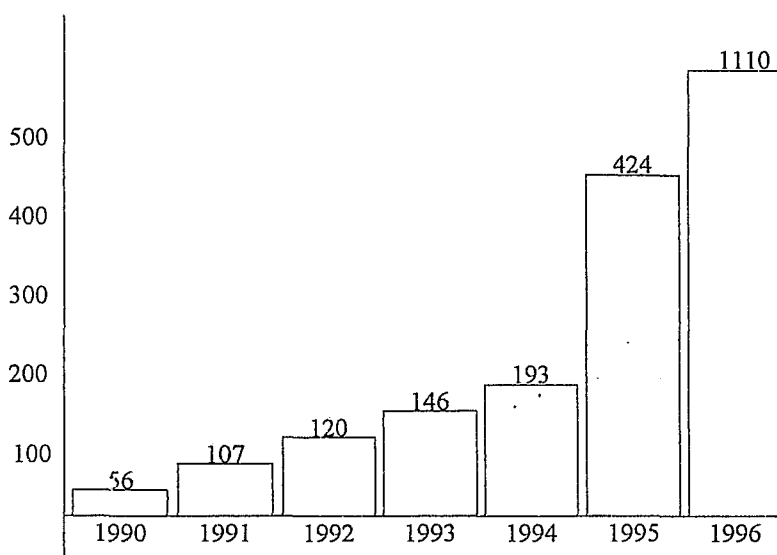
argue that the increased productivity was inspired both by fear and a genuine desire to make the organisation sustainable. According to an anonymous source, 'the retrenchments had a negative impact on the organisation and it contributed to low staff morale. We did not know who would be next to be targeted for retrenchment. No one wanted to be next so we just worked really hard' (Anonymous, Interview, 15.9.1998).

According to the CEO, the restructuring process has transformed Project Literacy into a 'leaner and meaner organisation that is more effective, efficient, and economic than ever before' (Project Literacy Business Plan, 1996, 5). Kriegler supports this view when he states that the restructuring process,

has led to greater efficiency, a reduction in operating costs, a more profitable direction and a less charitable approach. We have lost a lot of charm, we have become leaner and meaner, we have lost some attractive curves (Interview, 4.11.1997).

'The organisation is a much better, much stronger one as a result of the restructuring', says Mrs. Van Zyl, the current Financial Manager (Interview, 29.7.1997). The restructuring process has also increased the cost effectiveness of the organisation. This was achieved firstly through staff reduction. Miller contends that the productivity of the organisation has increased despite the reduced numbers. For instance, in 1995 Project Literacy trained 420 people, in 1996 1 200 people (Interview: 1.10.1997). Van Zyl adds that people work harder and they seem happier to work harder' (Interview: 1.10.1997)

FIGURE 13. NUMBER OF TEACHERS TRAINED 1990-1997 (APRIL)



Relatedly, the range of activities that Project Literacy dealt with was reduced. Adult Education Centres that attracted the least number of learners were closed. The organisation has become much more focussed on its training functions. It is currently the only department that is fully self-supporting and it is hoped that profits from the training department will eventually sustain a large part of, if not the entire organisation. To attain this end Project Literacy has embarked upon a rigorous marketing campaign of goods and services (training, course materials) of the organisation. It is significant that certain activities in the organisation (eg. training), increased, despite reduced numbers of staff. This is a case of doing more with less.

The budget was decreased from R12 million to R7 million. The organisation has also introduced strict measures to ensure financial accountability and has set procedures in place to avoid corruption.

Finally, emphasis has been placed on changing mindsets. For the remaining staff there is an intensive training programme that is designed to improve efficiency and professionalism. It also serves the purposes of staff development and empowerment.

There are regular staff appraisals and an incentive bonus that is based on performance has recently been introduced. Miller contends that the result is a greater commitment to the organisation by the staff. This impacts on productivity as well as service quality (Miller, 1.10.1997: 1.10.1997).

4.5.7 Would Project Literacy have Survived without Restructuring?

The unanimous response to this question was NO. Due to the hiatus in donor funding 'organisations had to become more cost effective and change their management approaches (Van Zyl & Miller: 1998 Telephonic Interview: 15 & 16 July). Dr. Rose Morris, a trustee, concurs with Miller and Van Zyl that the sustainability of Project Literacy' was dependent on an extensive restructuring process (Morris, 30.6.1998: Interview).

4.6 Conclusion

In conclusion, the main finding that emerged in this chapter is that non-governmental organisations are experiencing enormous challenges and threats to their survival. The most significant challenge is a shortage of funding. This situation has been exacerbated by the bilateral aid agreements contained in the RDP. The financial difficulties have implications for management styles and practices. The chapter found that in the case of Project Literacy they experienced a range of other difficulties that are common in most organisations such as poor management, lax financial controls, loss of focus, low productivity, confusion of roles etc. The changes that have occurred in the NGO sector since 1994 suggested that they cannot continue to function as they have before. As a result of these challenges and problems, the restructuring process at Project Literacy became imperative. The results of the restructuring process show that the organisation is a much stronger, efficient and sustainable one. However, this chapter has also demonstrated that the restructuring process was not an unqualified success. Measures taken during the restructuring process, particularly retrenchment, caused much pain, anxiety and discomfort in the organisation.

The findings have illustrated clearly that Project Literacy is a stunning example of how NGOs can turn threats into opportunities. This organisation is by no means perfect, but they have made major strides in the organisation and are continually developing. As a result they continue to deliver an invaluable service to a sector that desperately needs it. The following chapter is an analysis and interpretation of the findings. It also includes some key recommendations.

CHAPTER FIVE: DISCUSSION OF FINDINGS

5.1 The Aim of this Chapter

This chapter discusses and develops the findings presented in the previous chapter. The validity of the findings is also examined. The observations are organised in a thematic fashion. Hammersley and Atkinson (1983: 191) argue that, 'data in themselves cannot be valid or invalid; what is at issue are the inferences drawn from them' (May Kut, and Morehouse: 1994) The data gathered in this study consisted mainly of considered and informed personal accounts of the restructuring process. The meaning in the data was usually fair, clear and transparent. Although the data required much organisation and analysis, it was subject to relatively less 'overt' interpretation by the researcher than in many other studies. This also enhances the validity of the findings.

The findings are discussed in terms of literature already reviewed. However, this chapter also introduces more relevant literature. The rationale for this is that new ideas (eg. learning organisations) emerged during the research process, and it therefore became necessary to access further literature in order to discuss the findings properly.

5.2 Issues of Validity

Maxwell argues that,

validity broadly pertains to the relationship between an account and something outside of that account, whether it is objective reality, the constructions of actors, or a variety of other possible interpretations. *It is always possible for there to be different equally valid accounts from different perspectives.* [Researcher's emphasis] This approach to validity refers primarily to accounts, not to data or methods (Maxwell, 1992; 283).

Maxwell's observation alludes to the nature of qualitative research and the researcher's own philosophy. This research report is heavily reliant on the views expressed by the participants through the questionnaire, the interviews as well as the various documents supplied by the organisation (ie. minutes of meetings, annual reports and evaluations). As a qualitative researcher she believes that each account given by the participants was

valid. The participants were sincere and credible partly because of their involvement in the processes under study, as well as the congruence of their accounts with documentary material. The researcher believes that the internal validity of the findings in terms of the research questions was sufficient.

The validity of the findings are influenced by the researcher's own subjectivity. However, the researcher has engaged in a process that Katz (1987) refers to as *Epoche*.

Epoche is a process that the researcher engages in to remove, or at least become aware of prejudices, viewpoints, assumptions regarding the phenomenon under investigation. *Epoche* helps enable the researcher to investigate the phenomenon from a fresh and open view without prejudgement or imposing meaning too soon (May Kut and Morehouse, 1994: 123).

Thus the qualitative researcher's perspective is a paradoxical one. One has to be acutely tuned in to the experiences and meaning systems of others and at the same time to be aware of how one's own biases and preconceptions may be influencing what one is trying to understand.

5.3 Managerial Behaviour in the Management of Change

The researcher contends that any restructuring process has implications for managerial behaviour and the management of change. In order for an NGO to be able to engage in such a process, the organisation has to be "predisposed" to such a process.

Certain factors "predisposed" Project Literacy to change. The context in which NGOs operated shifted at the same time as the resentment and/or dissatisfaction with Naser grew. Thus, there was tension and pressure to change not only the vision of the organisation, but also its entire operating procedures and structures.

The implications for other organisations are that they must continually be prepared to make changes and to adapt to new circumstances as they arise. This implies that the managers of an organisation must be fully reflexive. They must possess the ability to look at the organisation and weigh up the progress of the organisation critically and make

whatever adjustments need to be made. Critical evaluation must be a norm in the organisation.

In the next part of this paper, the researcher will discuss managerial styles and practices and how these impact upon any change process. The researcher will then look briefly at Senge's ideas on the 'learning organisation' and their relationships with change, more specifically, with organisations that are restructuring.

5.4 Leadership Styles and Practices

5.4.1 Leadership Theories

5.4.2 The Personality Trait Theory

Kelley (1986: 13) asserts that writers such as Allport (1929), Tead (1929), Bernard (1926), and Bird (1940) advocated the notion that leadership was primarily exercised by "great men" who had been born, rather than developed. It was assumed that a good leader possessed certain traits. These notions were held for centuries. However, in 1948 Stogdill concluded that a person does not become a leader by virtue of the possession of a combination of traits. Furthermore people who are leaders in one situation may not necessarily be leaders in other situations (Kelley, 1986: 14). This has implications for the way in which a leader sees him or herself. In the case of Project Literacy, the current CEO has repeatedly acknowledged his own weaknesses and ability to admit that 'I do not know how to do this' and thus he draws on the skills of those who do know. Thus a leader must possess certain skills (or traits), but his lack of these should not make him or her less of a leader. The challenge is to do the best that can be done for the organisation by harnessing, developing, utilising and integrating the skills of those who do possess them. The researcher states that this is crucial in a sector that is affected by rapid and constant change.

5.4.3 Leadership Styles

As mentioned in the literature review (chapter 2), Kelley (1986 : p16)) argues that from the early 1950s the focus shifted from the trait approach to examining leadership styles. Of the leadership styles identified the three most widely known classifications were: "laissez-faire", "autocratic", and "democratic" (Lewin and Lippitt, 1938; White and Lippitt, 1960; Likert, 1961; Baumartel, 1957 and others). The laissez-faire leader exerts very little control and few limitations. Laissez-faire leadership could offer the greatest opportunity for subordinates to satisfy their self-actualisation needs (Uris, 1953). The autocratic leader is likely to determine the policy for the group, to make decisions and assume full responsibility for consequences. This leadership is restrictive. It can, but does not necessarily generate high performance (Shaw, 1955; Vroom and Mann, 1960). The democratic leader is concerned with motivating staff and maintaining high morale. The concern is with being fair and taking the individual's needs into account in the running of the organisation (Likert & Hayes, 1957: 17).

The CEO of Project Literacy has described its management style as "participatory and as inclusive as possible" (Miller, 29.7.97: Interview). The researcher's impression is that the dominant management style at Project Literacy is democratic, collegial and consultative. The CEO uses his authority to encourage the freedom and productivity of his assistants. *Team members are allowed a measure of freedom in which to make vital decisions.* Andrew Miller seems to be a Theory Y manager insofar as he relies on 'leadership, participation, team work, self direction, commitment and positive motivation' (Mason, 1979: 50). As stated earlier in chapter two, the Theory X manager uses the autocratic style by arbitrarily exercising power, direction, control, extrinsic rewards, negative motivation, and demanding compliance of workers (Mason, 1979: 50). The autocrat structures, controls and closely supervises his or her staff.

In Theory-Y management, general rather than close supervision, is therefore provided and the major concern is with unleashing a person's potential and effectively using human resources through participation. The Theory Y manager attempts to help his or her staff members mature by exposing them to progressively less control and allowing

them to assume more and more self-control. Bennis and Nanus (1985) purport that the new leader is one who commits people to action, who converts followers to leaders, and who may convert people to agents of change. This is "transformative" leadership (Kelley, 1986: 25).

Each management situation is different and requires different leadership behaviour. There is no single, all-purpose managerial style that is effective in all situations (Mason, 1979: 51). This paper contends that NGO managers should be flexible and take into account that different situations may require different styles of management, depending upon the circumstances and people involved. For instance, during the restructuring process at Project Literacy, an autocratic and directive type (Theory X) of management style dominated because it was necessary. However, after the process had begun to achieve its goals and as the situation improved, the Theory Y-style of management replaced the Theory X management style.

This coincides with Mason's assertion that there is little practical value in theory unless a manager can begin to see *how* leadership depends on the situation, and therefore, *what* style tends to be effective with particular individuals and groups in changing environments (Mason, 1979: 52).

5.4.4 Perceptions of Leadership

Senge argues that our traditional views of leaders - as special people who set the direction, make the key decisions, and energise the troops - are deeply rooted in an individualistic and non-systemic worldview. The traditional view of leadership is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which are apparently remedied only by a few great leaders (Senge, 1990: 340).

Senge suggests that managers have to redefine their jobs. They have to give up the old beliefs of planning, organising and controlling (Senge, 1990: 140). The new view of

leadership holds that in learning organisations, leaders are designers, stewards, and teachers. These roles require new skills:

- the ability to build shared vision;
- the ability to bring to the surface and challenge prevailing mental models;
- and the ability to foster more systemic thinking (Senge (b), 1990: 18).

The continuous learning approach creates more capable and empowered employees who are able to cope with and adjust to the demands inherent in a changing environment (Senge (b), 1990: 9). The manager's fundamental task is providing the enabling conditions for people to achieve the best possible results (Senge, 1990: 140). According to the participants, Project Literacy has adopted this style since the restructuring process. According to Mrs. Regina Mokgokong, Director: Business Development, evidence for this is the fact that at least three days per month is dedicated to staff training and development.

5.5 Learning Organisations

To manage the complexities of transition and the pace of environmental change, the CEO needs to create a learning organisation. Peter Senge defines "learning organisations" as

organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together (Senge, 1990: 3).

Based on this definition, the researcher would categorise Project Literacy as a learning organisation because, it has, through its restructuring process, increased the capacity of the organisation to become more cost-effective, more efficient and thus it has increased its chances of self sustainability. It has implemented new strategies which illustrate its flexibility and ability to adapt to change. The CEO has adopted an 'expandable view of power' (Kouzes & Posner, 1988: 37). He sees everyone as a potential leader. The CEO

needs to assume responsibility to develop and empower those people within an organisation who have the capacity and authority to make a difference in a changing environment (Peters, 1988: 23). Miller has adopted this attitude of delegating authority and the result is that there seems to be a collective/shared vision among them of what they want the organisation to be. Furthermore, the researcher's impression during the interviews was that this attitude has fostered a sense of collective responsibility for the success of the organisation.

Creating sustainable organisations should be at the top of the agendas of NGOs. This research report contends that this can be best done by creating 'learning organisations'. Senge contends that in order to build organisations that can continually enhance their capacity to realise their highest aspirations (Senge, 1990: 6), they should adopt a *conceptual framework called Systems Thinking*:

Systems Thinking is a discipline of seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static "snapshots" (Senge, 1990: 68). Today, systems' thinking is needed more than ever because we are becoming overwhelmed by complexity. Organisations break down ... because they are unable to pull their diverse functions and talents into a productive whole (Senge, 1990: 68-69).

This chapter contends that the restructuring process at Project Literacy was grounded in Systems Thinking. This is seen in the way in which the restructuring was done holistically. The focus was not only on changing funding procedures, rather the organisation as a whole was restructured. Operating procedures were restructured, more emphasis has been placed on staff development, there has been a general change in managerial behaviour etc. There has been a realisation that each of the systems within the organisation affects each other.

At the heart of a learning organisation and systems thinking is a shift of mind. Senge calls this *Metanoia* (Senge, 1990: 12-13). This shift in mind occurs when one sees interrelationships rather than linear cause-effect chains, and processes of change rather than snapshots.

NGOs leaders have to undergo a *metonoia*. This means that they have to stop seeing themselves as managing charitable organisations, and begin to see their organisations as organisations that are providing a service, but that the context in which they are operating demands that they make heavy adjustments. Part of the shift in mind includes grounding the organisation on a sound business footing. Project Literacy has done this successfully.

Part of the shift in mind involves abandoning the assumption that there must be an individual responsible. Instead, everyone shares responsibility for problems generated by a system (Senge, 1990: 78). When a group of people come to share a vision for an organisation, each person shares the responsibility for the whole, not just his/her piece (Senge, 1990: 212).

5.6 Proactivity and Reactivity

Ackhof and Post (in Rajak: 1990) suggest two major modes for leadership to cope with external change, that is proactivity and interactivity. Proactivity involves trying to predict and anticipate the external changes and acting on this by positioning the organisation to meet the change when the event occurs. Interactivity involves the active involvement with the external forces and pressures by the CEO. Major shifts in the business environment require conceptual shifts in the minds of managers. (Rajak, 1990: 10).

Fahey and Narayanan in (Rajak, 1986: 17) suggest that in order for a manager to cope interactively and proactively with environmental changes the CEO should conduct an environmental analysis. Project Literacy first began to do this in about 1993 and since then it has become a regular activity. The goals of the environmental analysis should be to understand current and potential change; providing intelligence for managing the organisation; and facilitating strategic thinking. According to Katz in (Rajak, 1989) and Senge (1990) the CEO needs to adopt a systems view of the business environment. The CEO needs timely and insightful forecasts of the trends and events likely to affect the organisation's strategy and operations (Rajak, 1990: 11). Project Literacy seems to have mastered this ability successfully. This is indicated by the culture of holding 'Think

Tanks' and regular strategic planning workshops that provide the opportunity to come to grips with what the current issues or threats are, and the possible changes that need to be made. There is a culture of looking into the future to see what it holds and then making the necessary adjustments. This makes Project Literacy proactive. Proactivity and strategic thinking and planning are two sides of the same coin.

5.7 Strategic Thinking

Organisations in the non profit sector have sought to survive in a dramatically changing environment, to do useful work, to strengthen their organisations, and ultimately to be sustainable, yet they are faced with immense challenges - political, economic, cultural, donor policy shifts etc. (Petersen & Thaw, 1997: 3). Organisations need to develop a strategic thinking perspective within the organisation that allows for flexibility and quick action, rather than relying on an annual "strategic planning" workshop (Petersen & Thaw, 1997: 8).

A strategic thinking process is different to strategic planning. The strategic thinking process is a process that strives for organisational success and sustainability. It is a continuous process. It is a way of looking at an organisation in relation to its broader, ever changing environment (Petersen & Thaw, 1997: 9). A strategic thinking process is about suspending fixed ideas and positions and being open to explore new ways of seeing, being and doing. The outcome of a strategic planning process should be a set of strategic objectives. These are "those things we have to do to achieve a new position or consolidate our current strategic position" (Petersen & Thaw, 1997: 9). Also 'the objectives that would allow for increased success and sustainability of the organisation and its work in the future. The best strategic thinking process would be a continuous, rather than an annual event. This has implications for an organisation's capacity to scan, collect and bring into the consciousness of the organisation and its people the information it needs to make new decisions' (Petersen & Thaw, 1997: 10).

5.8 Strategic Planning

Park (1994) defines strategic planning as 'the process of building a vision and assembling the means to carry it out' (1994: 1). All non-profit organisations perform their public service in an economic, social, and political environment that is becoming increasingly complicated, full of changing opportunities, and subject to unpredictable pressures. Strategic planning can help a non-profit organisation set a course through uncertain territories, which present threats and opportunities. Strategic planning involves anticipating these problems and opportunities and embodies the organisation's best thinking on how to cope with the problems and capitalise on the opportunities (Park, 1994: 2). Strategic planning will affect all aspects of an organisation's life, including programmes and services; financial and capital plans; development of staff etc. Effective strategic planning depends on accurate, ongoing assessment of external and internal environments. It results in a future image of the institution or agency, a concrete vision of what it will take for the organisation to implement its mission successfully (Park, 1994: 3).

5.9 Nature of Organisational Change

There are two major concepts used in the literature to describe typical change properties: 1) first order vs. second order change and 2) evolutionary/incremental change vs. revolutionary/quantum change (Barnard, 1991: 27). Levy and Merry (1986) describe first order change as those minor improvements and adjustments that do not change the system's core, and occur as the system naturally grows and develops. Second order change is described as a multi-dimensional, multi-level, qualitative, discontinuous, radical change involving a paradigmatic shift. This change produces a new world view and a new way of being (Levy & Merry, 1986: 15).

Evolutionary change is described as the continuous, evolving integration amongst members of an organisation in response to organisational and/or environmental pressures (Chorn, 1987). Revolutionary change occurs if the whole organisation and culture is redefined. (Greiner, 1972) It is characterised by a crisis in the environment or in the

organisation (Hofer & Schendel, 1978). In the case of Project Literacy, there was a crisis in the environment (particularly the changes in funding policies) and there was a crisis in Project Literacy (the dissension between Naser and other staff). Thus Project Literacy was forced to consider change. Chorn (1987: 28) argues that often a crisis is needed to create the conditions within which the existing paradigm can be broken.

It is the researcher's view that Project Literacy has undergone what has been described as second order change because the restructuring within the organisation occurred at a multi-dimensional level. The changes were not an event, but rather they are ongoing and as such they have resulted in a paradigmatic shift. The way the system operates at Project Literacy has changed. Change was also revolutionary in that the culture of the organisation was redefined. Thus these changes have been transformational insofar as Project Literacy has transformed itself from being an NGO operating like a charitable organisation, to one which grounds its activities in sound business and managerial principles.

5.10 Conclusion

This chapter demonstrated that as a result of the changes that have occurred in the NGO sector since 1994, NGOs could not continue to function as they had in the past. Thus, they need to engage in some sort of restructuring process to transform their organisations to suit the new milieu. In the case of Project Literacy this chapter has demonstrated that the management team was responsive to the changes in the external environment and realised that changes had to take place internally as well.

Interestingly, the kind of changes and actions carried out by Project Literacy resonated with much of what is found in the literature. In particular there was a remarkable resonance in the literature with

- Project Literacy's 'predisposition' to change
- the appropriateness of different styles of management for different situations
- the ideas of learning organisations

- Systems Thinking and
- organisational change.

This resonance demonstrated the value of leaders consulting relevant literature when faced with management issues. It also highlights the importance of management training for NGO managers who often have activist backgrounds or who are senior educators etc.

The research report concludes with the findings and recommendations that might help leaders manage their organisations in such a way that they can deal effectively with change and obtain *maximum* results.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 Overview of the Case Studied

The motivation to pursue this study was based on the closure of various NGOs in South Africa due to a variety of reasons. Firstly, the report confirmed the assumption that the new political environment and the RDP in particular created a new and very challenging environment for NGOs. The RDP introduced a bilateral aid funding policy which meant that donor funding would be received directly by the government who would then channel the funds to NGOs. This arrangement implied that NGOs would have to work much harder and fundamentally change the nature of their organisations if they were to sustain themselves. As a result mainly of the funding problems but also other existent problems such as high staff turnovers, corruption, lack of direction, duplication of services etc. many NGOs began to crumble and disappear. Many could not make the necessary adaptations and were thus forced to fold their activities.

Project Literacy, a Pretoria-based NGO, was different because it faced these challenges head on and succeeded. After the extensive and ongoing restructuring process it emerged as a 'leaner and meaner' organisation, with increased productivity. Among other things it has consolidated the organisation by adopting various business and managerial principles. This in itself is an advance because most NGOs are traditionally reluctant to take this step as they view it as being too commercial and against 'normal' NGO practice.

By engaging in a qualitative study, the researcher found that the most significant reason that Project Literacy thrived in the face of adversity was as a result of an intensive restructuring process that it began as early as 1993.

Ikageng Tshwane Literacy Association was established in 1973. It began as a small voluntary community project, initiated by Jenny Naser and Sam Mothebe. Ikageng Tshwane Literacy Association had very strong church affiliations. These affiliations contributed to the organisation's sustainability in the early years. Over the next decade

nine adult education centres were formed in Pretoria and Johannesburg. These schools served as laboratories in which materials were tested on adult learners and accordingly modified. This allowed Project Literacy to develop the quality and effectiveness of its materials as well as the effectiveness of its mother-tongue literacy method. It also ensured that it had a very good product to sell to industry and government. This too enhanced its sustainability.

During the 1980s the organisation was renamed Project Literacy and was registered as a Section 21 company with Section 21 structures. A Trust, through which the organisation would operate, was also created. The trustees of the organisation were very prominent people who brought with them a wealth of experience, skills and a network of contacts. These too contributed to the sustainability of the organisation as they used their skills and contacts to attract donors and business for the organisation.

6.2 The Restructuring Process

As a result of the internal pressures within the organisation and the fact that it was clear that the new political dispensation would affect new funding policies, the Trustees formed a Restructuring Committee that would be responsible for making the organisation 'leaner and meaner'. Their brief was to make sure that the organisation:

- ☐ became more effective;
- ☐ could generate a growth of 20% per annum of its own funds over three years and thus reduce its reliance on donor funds
- ☐ professionalise their work
- ☐ forge new and effective partnerships with both the government and the business sector
- ☐ reduce staff while raising productivity levels
- ☐ focus on the training department and stop or abandon non-core work

The restructuring committee was very successful because it had clear objectives and had set realistic and obtainable goals. It also had the commitment and will to implement changes. The restructuring process was approached systemically.

At the time of the completion of this report, Project Literacy had

- ☐ made sustainability a principal aim
- ☐ changed the nature of the organisation
- ☐ reduced the number of staff through retrenchments
- ☐ made greater use of part-time or contract staff
- ☐ increased productivity
- ☐ collapsed certain functions such as human resources
- ☐ reduced the number of adult education centres from nine to three
- ☐ reduced the core budget from R12 million to R7 million
- ☐ become more professional
- ☐ effectively utilised commercial principles to increase its self-generated income

As a result of the restructuring process the organisation has built its capacity to deliver its products and services to government, industry and community based organisations. It currently generates approximately 43% of its own funds and has thus effectively reduced its reliance on donor support. Project Literacy has demonstrated clearly that alternative and diversified income generating strategies together with streamlined and collaborative organisational structures are key elements of survival within any environment of economic uncertainty.

The above restructuring was made possible by a change in the management styles and practices. Management styles changed mainly from being perceived as being informal, exclusive and autocratic to one that was inclusive, collegial and democratic. A new organisational structure in which roles and responsibilities were clearly defined was introduced. There was a change in the mindset of the entire organisation about what their job was, what the nature of the organisation was and what their role was in this. This changed mindset placed emphasis on improving efficiency and professionalism. They

introduced regular staff appraisals and incentive bonuses that were made dependent on performance.

The restructuring process at Project Literacy worked because the management and trustees had a vision and the will to make the organisation sustainable. Furthermore, management could relay the earnestness of the situation to the staff. Management impressed upon staff that if the organisation was to be sustainable, each and every member of staff had to take full responsibility for the organisation. The result of this was that each member of staff had to feel that they owned the organisation.

6.3 Research Questions

This report sought to deal with four main research questions. The first question was, **what context are NGOs currently operating in?** This question has been discussed at length particularly in the literature review in chapter two (page 9-14).

The second question that the research explored was **what is meant by sustainability and what are the criteria for achieving sustainability?** This question was dealt with in chapter two and again in chapter six (page 14-18 and 104).

The third question that this research report investigated was **do management styles (through restructuring processes for instance) impact on the sustainability of ABE NGOs?** The findings of the report illustrate that management styles and practices certainly do impact on the sustainability of NGOs. The sustainability of NGOs depend on a wide variety issues such as having a good product, having good material and financial resources, motivated staff etc. But how these issues and resources are managed by management will impact on sustainability.

The fourth question that this report posed was **what is the relationship between management styles, organisational development and sustainability?** This question was answered in chapter two and chapter four.¹ Management styles, organisational development and sustainability are all interrelated because, the manner in which an

organisation is managed and the practices employed by management do contribute to the development of that organisation. Furthermore, the sustainability of an organisation will depend on how well it is managed and how well it is developed.

6.4 Recommendations

Based on the findings of this study the researcher has formulated recommendations for other NGOs faced with similar challenges. The recommendations are particularly useful for NGO managers and staff involved in the ABE field. It is the researcher's considered opinion that there is enough in Project Literacy's experience that is similar to other NGOs. Therefore, lessons learnt by Project Literacy can be applied by other NGOs.

The following recommendations relate to enhancing sustainability of local ABE NGOs.

Thus the researcher recommends that:

□ Achieving sustainability must become a major driving force

As a result of the new political environment as well as the changed attitudes of donors, achieving sustainability must be a principal aim of any organisation. This research report has shown clearly that achieving sustainability is a major motivating factor for Project Literacy. One of the research aims of this study was to formulate a definition of sustainability relevant to ABE NGOs. The researcher would define a sustainable ABE NGO as one that is able to deliver its products and services over a sustained period of time (at least five years). The leadership of a sustainable NGO possesses the managerial skills and foresight to build the capacity of an organisation to sustain the delivery of products and services. A sustainable ABE NGO is one that is able to co-ordinate its activities with government, businesses and other NGOs. An ABE NGO can be regarded as sustainable when it is able to generate its own funds (at least 50 %) and thus reduce its reliance on donor funds. A sustainable ABE NGO is one that can successfully manage its financial and human resources to ensure financial stability and quality of staff.

❑ **Organisations have to be more focussed, efficient, effective and professional**

There needs to be ongoing capacity building within the organisation, with skills enhancement opportunities for staff, career paths which provide incentives for good performance, and a general sense of professionalism that will produce the atmosphere necessary for organisational sustainability.

❑ **Enhance effectiveness and impact**

Due to shrinking development resources and increasing competition for those resources, NGOs have to pay more attention to their effectiveness and impact. NGOs have to improve, expand and replicate their successful projects and possibly reduce or abandon unsuccessful ones.

❑ **NGOs have to be able to deliver services in a more cost-effective manner**

If NGOs are to become more sustainable, they have to change the very nature of the organisation ie. they have to alter the way they see themselves and their role in the society.

This raises the issue of the perceived divide between 'charitable' organisations and 'business minded' organisations. Some NGOs who see their main aim as providing essential services to the poor are hesitant to apply business principles to their way of doing things because they see this as a betrayal of the cause. However, in the light of drastically reduced funding, NGOs have to apply commercial principles, to operate their organisations like businesses with the objectives of becoming more cost effective and ensuring sustainability. Either way, organisational activities have to become more efficient, more economic, more cost effective. One way of doing this is by recovering the costs from the client or other sources of income. More attention has to be paid to the quality of services. A balance has to be struck between generating income and providing for the needy.

☐ **Implement effective organisational structure**

Organisations with uncomplicated organisational structures that allow for flexibility and rapid adaptations are key in maximising sustainability. The idea is to design an organisational structure in which the positions/roles allow people to accomplish the desired organisational goals with ease. Reporting structures and procedures also need to be clarified.

☐ **Develop a good product**

Any NGO that intends to make an impact in the ABE field must ensure that it has a good product or service and that there is a demand for it. Once this is in place the products and services must be developed.

☐ **Choose skilled and appropriate directors and trustees**

A key recommendation to NGO leaders is that when searching for directors or trustees, these individuals should be committed to the organisation, possess the ability to network, have relevant skills and experience and generally add value to the organisation.

☐ **Develop and enhance managerial skills**

NGO closure or poor performance is often due to a lack of managerial skills. There is a need therefore to **develop and enhance management's skills** to deal proactively and interactively with change. A variety of skills are required to enhance the sustainability of the organisation. These are some of the necessary skills: facilitation; communication; team-building; problem solving; planning; negotiation; programming; organising. These skills have to be shared with and developed among the staff as a priority, especially NGO staff who often have an activist or educational background and no formal management training.

❑ Develop effective and relevant management styles and practices

This research report found that the management of an organisation played a crucial role in the attainment of sustainability. Any organisation needs a combination of Theory X (authoritarian) and Theory Y (collegial) managers (McGregor: 1979) and a recognition of Theory Z (situational management) ie. that each situation is different and therefore different leadership behaviour will be required. Leadership will always depend on the situation.

❑ Adopt a positive attitude to change and manage change effectively

The main research findings demonstrate clearly that Project Literacy's success can be credited to their ability to adapt efficiently to new situations. They have mastered the skill of managing change. The research findings have also illustrated their ability to conduct critical evaluations and to bring about the necessary corrective action.

❑ Visionary leadership

If an organisation is to become successful its leadership must be visionary. This means that management must have clear ideas about the nature of the organisation, what its focus or its business is. Furthermore the leadership of the organisation must have the knowledge, the will and commitment to move the organisation in the direction that they have envisioned. The vision cannot be solely the preserve of the leadership, rather it must filter to the rest of the organisation so that the vision is a shared one. If the vision is shared, chances of success are greater.

❑ The leader must become a change agent

This paper recommends that in order for organisations to succeed in times of change, the leader/CEO/Director needs to adopt the role of change agent. If the leadership are change agents it implies that they will embrace change and thus see change not as a threat and in terms of the negative issues that it represents, but also in terms of its virtue.

Most people hate change mainly because of the adjustments that it implies. We live in a society that is constantly changing and it is going to continue to change. Organisations can choose to be overwhelmed by change or they can make the necessary adaptations to cope and use change to make organisations better able to withstand any kind of threat. The leadership of an organisation has a responsibility to motivate staff to embrace change and become change agents ie. the CEOs, leaders and managers have to understand and embrace change and encourage others to do the same.

□ **Develop a strategic thinking perspective**

In view of the fact that the milieu in which NGOs currently operate is largely unpredictable and unstable, it is imperative that the leaders of organisations develop a strategic thinking perspective that allows for flexibility and quick action, rather than relying on annual "strategic planning" workshops. This must absolutely be a continuous process in which the environment is continually examined. It involves predicting what the future holds and thus planning for it so that the organisation is not caught off guard but is fully prepared for any eventuality. Since the early 1990's Project Literacy has introduced 'Think Tanks' to fulfil the above mentioned objectives.

□ **Assess and evaluate progress**

Management and staff need to engage in honest, reflective, ongoing assessment of the organisation's performance and to acquire the flexibility to change as conditions require. Assessment and evaluation has to be continuous and any evaluation must provide useful information.

6.5 The Researcher's Concluding Comments

For the researcher, this research process was a learning experience on two levels. On an academic level, the researcher learnt more about how to conduct research particularly in terms of being rigorous and presenting information in an organised manner. The literature consulted for the research report was stimulating, informative and enlightening. By conducting this research the researcher has realised the importance of sustainability for NGOs in general and ABE NGOs in particular. It is clear to the researcher that issues of sustainability must inform all activities taken on in the organisation. The other striking lesson learnt is that a positive attitude to change is crucial. Change is not easy, it is quite threatening, really. However, if one understands its purpose, and if the change process is managed effectively, the rewards can and will be great.

On a personal level the research was also a learning experience for the researcher. The research was a commitment that paid off well. The researcher met people that she would not otherwise have met. It was fascinating, moving and informative to listen to views about how events in Project Literacy unfolded. The researcher was particularly struck by the hard work, commitment, perseverance and dedication shown by Naser in particular and Project Literacy staff in general.

The most intense insights that the researcher was able to make were firstly, **people make things happen**. The success of any endeavour will ultimately depend on the individual or group involved.

Secondly, the idea of people **really owning the organisation** is a crucial one. It is easy to say, 'its our organisation', meaning it and making people really believe it, is quite another matter. The idea of ownership is an important one because, if people truly own the organisation, they will give one hundred percent of their effort.

Finally, hard work, commitment, innovation and adaptability are the qualities that explain Project Literacy's success and the reason why they were able to develop into being the leading ABE NGO in South Africa.

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APPENDIX A

SAMPLE OF A QUESTIONNAIRE COMPLETED BY ANDREW MILLER, CEO OF PROJECT LITERACY, IN 1997

NAME: DOROTHY ANDREWS
INSTITUTION: UNIVERSITY OF THE WITWASTERSRAND
DEGREE: MASTERS IN ADULT EDUCATION
TITLE: ACHIEVING SUSTAINABILTY IN AN ABE NGO: A CASE
STUDY OF PROJECT LITERACY

**KINDLY COMPLETE THE QUESTIONNAIRE IN FULL TO THE BEST OF
YOUR ABILITY. I WILL COLLECT IT IN TWO WEEKS TIME.**

1. How would you define a sustainable NGO?

A sustainable NGO is one that can operate on at least 50% self-generated funding. This is common practice for large NGOs in the developed world, eg. OFFAM. It is an NGO that can pay its core costs (eg. salaries) from its own income and not be reliant on donor money.

2. Do you think Project Literacy is a sustainable NGO?

No. Last year Project Literacy generated 30% of its own income. This falls far short of the overall need. Also, if one is committed with working with the poor and those who fall through the net of government programmes, your organisation can never be 100% self-funding.

3. Who makes up the management team?

The management has an Executive Committee that meets monthly. (Refer to figure 7 on page 65 for the management structure). In terms of governance, we are also responsible to, and assisted by members of the Board of Directors and Trustees.

4. What management styles do you employ?

One that is participatory and as inclusive as possible.

5. Why have you chosen this particular style?

While transforming the organisation it has been critically important to bring as many staff on board as possible. This has been achieved through the highest level of consultation and participation. However, this has not been at the expense of productivity. I am very opposed to the classic NGO culture that demands consultation on which coffee we are to buy for the staff room.

6. In what way does your management style impact on the sustainability of your NGO?

A new management style became critical for the organisation as it embarked on a new strategy and *modus operandi*. Historically Project Literacy was managed by one person, the founder/director. This ensured that other staff were marginalised and made to feel impotent in terms of taking and enforcing decisions. My approach has been to make individual managers feel confident to make decisions.

7. Describe the context / environment in which you are presently operating.

NGOs have been through a very rocky period as, after the elections the focus of donors both foreign and local and the general public turned to the RDP. This resulted in a shift to bilateral government to government aid. As a result many NGOs closed down or had to cut programmes dramatically. It has meant that those who survived 'the winter of our discontent' had to become 'lean and mean'. The mood is slowly changing as government recognises that it cannot do everything alone and foreign donors become sceptical of government departments which a) cannot accept large sums of money and b) cannot spend it.

8. What effect, if any, has this context/environment had on your organisation?

The drop in donor funding has seen Project Literacy close centres, become more focussed, concentrate on cost recovery and generally become more business-like.

9. Have you had to change your management style? Please state YES or NO and then provide reasons for your answer.

Yes. Everybody has had to become more accountable as we are constantly asking, "What is the cost implication?"

10. If your answer is YES, in what way have you changed your approach?

NGOs have learnt to say NO!

11. Do you think that the changes you have made, have been for the better? (YES or NO) what do you base your answer on?

Yes. The organisation has a high productivity rate. Staff feel personally responsible for the organisation's welfare, their own job security and their salary package. More work = more income = more job security.

12. What advice would you give to other NGOs managers that are involved in work similar to yours?

Change is critical to the survival of a strong and vibrant NGO sector.

13. Who are your main donors?

Joint Education Trust (JET) and the European Union.

14. How long have you been funded by them?

Five years each.

15. Has your relationship with them changed? If YES/NO. Explain.

Yes. We have been dropped by the United States Agency for International Development (USAID) as they have moved into bilateral agreements. Donors have become more selective, more critical and more demanding generally.

16. If your answer to no.14 was YES, say what major changes have occurred?

Same as 13.

17. What have you done to deal with these changes?

Moved to selling our services on a cost recovery basis

18. Do you think your organisation is financially viable? Why?

No. Most big NGOs are able to generate at least 50% of their own income. Project Literacy currently only generates 35% of its income.

19. To what do you ascribe your financial viability?

Not Applicable.

20. What advice, if any, can you give to other ABL NGOs that are trying to achieve financial sustainability?

NGO leaders must have a positive attitude to change and they must focus on their key business.

Thank you for taking the time to complete this questionnaire.

APPENDIX B

SAMPLE OF ABBREVIATED INTERVIEW TRANSCRIPT OF INTERVIEW CONDUCTED WITH MRS. JENNNY NESER ON 21 APRIL 1998. THE INTERVIEW WAS CONDUCTED BY DOROTHY ANDREWS AT NESER'S HOME IN PRETORIA.

DA: Why did you form the organisation in 1973?

JN: There were many reasons. As soon as I was aware of what was happening in South Africa, I realised that we were living in a totally unfair system. Both my husband and I were committed to change. We gave much of our time to community projects. We belonged to things like the Christian Institute. I was involved in the South African Council of Churches (SACC) and the Black Sash.

I felt with a friend of mine, Sam Mothebe, that it was no good us preaching to the public that the Nationalist government was wrong, yet we in the church did nothing to correct the church's mistakes.

I had five children and took on a foster child as well. I had to give time to the children, so the best I could do was be involved in something in my community.

Sam and I were the people who conceived of this thing together. I did a survey, going from door to door, speaking to domestic workers. This was an achievement in itself because people did not allow you to speak to their domestic workers. I discovered that 80% of the people that I spoke to could neither read nor write. That was in the seventies. Then I was approached by African labourers who came into the towns. They realised that they could not survive in an urban environment if they could not read or write.

Sam and I called a meeting in our church hall. We said that we wanted to start a night school. We had no money. I asked the church if we could use their buildings four nights a

week. There were some people who did not want the buildings to be used by black people.

The school was a community project and most of the teachers came from the white community. The African mother-tongue teachers were drawn from the domestic workers. We trained them from the little money we raised. They received a honorarium of R20 a month.

We started one centre at St Francis Church in Waterkloof. We always had a long waiting list. We could not take on more than 200 people. It was a remarkable experience for all those involved.

The school started at a quarter to eight and finished at quarter to ten. This meant I never got home before eleven. It was hard to leave the kids. I had a very supportive husband. I loved my children very much, but this was a commitment that I had made. I had to make sacrifices. Every bit of time I had over from the school I would give to my children. That left very little time for me. It was really exhilarating and exciting. That's what life is about.

The students contributed R2 a month, later it was R5. They knew exactly where the money went. I think the fact that none of us ever took a cent made a huge difference.

The schools were always full. I asked the Dutch Reformed church around the corner if we could use their buildings. Their response was that black people were not allowed in their buildings. At times we had problems with people who would complain about the fact that domestic workers were attending classes.

There were so many students. People came in from as far as 20 km out of Pretoria.

We never stopped having problems with the police because we were illegal. We were not allowed to teach black people in a white area. The police would wait for us and as soon

as the curfew began, they would pick us up in the 'Black Mariah' and take us to the police station. This went on for ages. I eventually visited each police station in Pretoria and explained what we were trying to do. After a long debate with the Commander at the central police station we came to an agreement.

The school was too small, so Sam and I opened two more and eventually we were running four. Sam left for Bobhutatswana. He literally left me with the baby in my hands. Those years were very difficult for me because, I was supervising four schools and I had no money to pay anybody. All the teachers were voluntary. If they could not take a class I would have to. The very success of the organisation demanded that it change from being voluntary to being salaried. It ran for thirteen years with no money at all, with a budget of about four thousand a year, until Project Literacy was formed in 1986. When I left in 1995 we had raised ten million rands for that year.

The voluntary staff were really amazing. The people who taught varied from doctors to university professors to secretaries. The school was only possible because of some remarkable black women in the community. For instance, Connie Mmaake, she was a domestic worker, and we trained her to teach. She often acted as the principal of a centre. She ran the mother-tongue section for years. Without her input in the beginning, Sam and I would not have managed. Another remarkable lady was Emily Radebe.

There were other churches that provided classes on a Saturday afternoon or one day a week, we were the only group to offer classes four nights a week. This is why my students made such progress. You cannot have any kind of notable progress, operating less than four nights a week.

As soon as the Group Areas Act was removed, we registered the school with the Department of Education and Training (DET). We had been preparing our learners for DET exams, but they could not write at our schools because we were illegal. So my students would write at neighbouring townships like Saulsville. I had this whole relationship with the DET that most people refused to have because it was seen as

collaborating with the enemy. But, our students wanted a certificate that would stand up to the scrutiny of employers.

Another important person was Patrick Hamilton, the principal of Waterkloof House Preparatory School in Brooklyn, Pretoria. Our project was accommodated at their buildings. We raised a lot of money and managed to pay rent. We had a symbiotic relationship.

From 1973-1986 we ran the school by the grace of the churches, ie. the Roman Catholic, Presbyterian and Anglican churches. There were four night schools in Pretoria with between six and eight hundred students.

Let me tell you how we got the Trust Fund started. Mike Meyer, a staunch member of the National Party, was an attorney and a very good businessman. He sent his gardener to school. He attended a prize giving when his gardener received his standard five. He was amazed that we did not have a Trust Fund. I said, "I know nothing about a Trust Fund". He said, "I'll help you". I said, "then you must be the first chairman". I approached people to be on the Board of Trustees. Dikgang Moseneke was the first person I approached in 1984. I asked various friends of mine like Harold Parkindorf, Ruda Landman and various other people to come and join the Board.

Because I carried the burden so long, I continued to carry the burden. I allowed the Trustees to get away with murder. They did their little thing, but they did not make as much of a contribution as they could have. They were busy people, they helped me, by and large I carried the burden.

The organisation got so big, we went mad looking for funds. I really battled to manage an organisation that became too big. The organisation was employing sixty people at Head Office and forty part-time teachers. What I needed was more management skills. I ran the organisation as best as I could. I managed to get donors to believe in what we were doing.

We needed to sit down and get the organisation structured better. We never got a chance, because we were running all the time.

The biggest breakthrough we had was getting the Joint Education Trust (JET) to give us money three years in a row. The first big money I got was from the Independent Development Trust (IDT). I got two million. I will never forget that. Then I got JET to give us six million rands over three years. Undoubtedly that kind of funding was unheard of in 1991-1992.

We moved our central offices from WHPS to a house in Lynnwood. Then I persuaded JET to give us the building that Project Literacy currently operates from. When I left in 1995 the organisation had a ten million rand building, twenty six thousand rand property, a fleet of cars and six million rand in the bank. I left them very well endowed. I don't think for one moment that I managed that on my own. Andrew Miller came in in 1992 as a fundraiser. He was magnificent.

My whole idea was to eventually make it into a business. We had a sellable thing, our training. I was involved in developing a mother-tongue programme, but it needed to be reworked. Because we operated four nights a week, we were able to move into the forefront of development.

I had a brainchild of establishing a project at Leeuwkop Prison because I felt we needed a 'captive' audience to try out our programme.

I had amazing ideas. I always regarded it as a calling. I saw my role in the organisation as that of a visionary.

DA: What role do you occupy in the organisation now?

JN: I play no role in the organisation. There is no way that I can. Andrew does not want me to.

DA: Would you have liked to play a role?

JN: Yes, but there was a power struggle. I liked Andrew and saw him as the person who was going to take over.

The management of the organisation was not going well towards the end. I was totally exhausted. I was getting epileptic fits at night from stress. I wanted very much to resign and people knew that. But first, I wanted to get the management right. I wanted to go into industry and I had already written a policy on industry.

Andrew is a very ambitious person and from the day he arrived he wanted to report only to God. He was the kind of person who could run an organisation. I admired those qualities.

What happened is that I brought in three ladies as trustees. They were Shirley Moulder, Dr. Rose Morris and Treuda Preukel. I brought them in as my mentors. I was really struggling with the organisation. We had various strategic meetings at which we decided to bring in a general manager. They felt I should move out of management and focus on my visionary abilities. I was thrilled. We employed Moerani Mayemani as the general manager. I then decided to take a six-week leave. I left this guy in charge. I knew that he knew much more than I about finance and running a big organisation, but I knew more about the educational issues. I wanted us to meet regularly to discuss issues, but he refused. I was stupid to let him get away with it. He was absent from work a lot. I tried to get a reporting structure but the three ladies told me to get out of management and allow Moerani to run things.

When I came back from my leave, I discovered that a R300 000 contract with Spoornet was in jeopardy. I could not stand by idly and see us lose the contract, so I came back. I lost my temper with him. He then reported me to Dikgang. The perception was that I was interfering.

Andrew got onto the bandwagon. It became a total nightmare. The next thing I knew R250 000 had been stolen by the then financial manager. This guy who stole the money was reporting directly to Moerane. After the money was stolen I wrote a letter to the three ladies who were trustees and who were also filling management roles. I told them that they should also take partial responsibility for the money that was stolen. They refused. To hide their mistakes, they set up what I can only call a witch hunt.

By this time I was beside myself. I wrote a letter to the trustees saying that I wanted to resign in three months time. Either I was going to run the organisation without interference or they should bring in someone else. I informed the donors of the situation and I indicated that there was a crisis and that we needed to have an investigation. I informed them that impartial people should be brought in to help resolve the matter. By this time Andrew had a petition against me which I knew nothing about.

I brought in Jim Wotherspoon. He put the organisation on an even keel.

They set up a restructuring Committee, that included the three ladies and Johan Kriegler. This was in response to my request to set up an impartial body to investigate the organisation. While I was at a meeting about a tender, there was a hearing going on that I did not know about. People had been handpicked to make statements about me. They then called a meeting that I was informed about.

At the meeting Johan told me I'm autocratic, that my old time style of running the organisation has passed. This was based on the evidence had given previously. At some stage during the meeting Johan said, "if you were in the witness box I would make minced meat of you". Then they all went into a huddle and suspended my management of the organisation for three months. I was told that I was not allowed to set foot in the organisation.

I should have stood up for myself, I should not have let them do this to me. But at that stage I was too exhausted. I packed up like a pack of cards. I was completely exhausted. I

was so miserable. I just wanted to resign. All I wanted was to have that statement/ resolution of the last meeting withdrawn. It took an attorney and eighteen months to get it. It was impossible for me to stay on after that.

Andrew has done wonders as I knew he would. Because of what they have done to me, they have worked their butts off, those three women have also really worked. They had to prove to the world that because they kicked me in the teeth, they will do better than I ever did, and they have. From their perspectives, they have gotten rid of someone who was blocking up the works.

DA: What would you suggest to other NGOs who have leaders whose management styles are perceived as outmoded?

JN: Bring in an outside group without prejudices. If the founder needs to go, it should be done properly so that one can retire gracefully.

DA: In what way were you involved in the restructuring process?

JN: The blueprint for the restructuring that I wrote was accepted. I had started turning it into a business. I made the most important contact with Kagiso Publishers. Other than the business policy, the training and the partnership with the publishers, I did not take part in the restructuring. What they have done has worked very well.

DA: Do you have anymore advice for NGOs?

JN: It is important to get outside people involved. Because I had all these personal relationships with people, I could not detach myself. Do not employ your friends, because when you find out they are not doing their job it is difficult to monitor them. Founders have to train people to take over.

End of edited interview transcript.

Author Andrews D

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